A

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

20.   Match List I (Theory of Interest) with List II (Authors) and select the correct
       answer using the codes given below the lists

                    List I   List II

       a. Abstinence theory of interest   1. Nassaw William Senior
       b. Time Preference theory of interest   2. Bohm Bawerk
       c. Loanable Funds theory of interest   3. Knut Wicksell
       d. Liquidity Preference theory of interest   4. J.M.Keynes

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

21.   Which among the following is NOT a stock concept?
       A)   Wealth   B)   Government debt
       C)   Outstanding loan   D)   Wages

22.   Which among the following is correct?
       A)   GNP at factor cost = GNP at Market Price + Indirect Taxes + Subsidies
       B)   GNP at factor cost = GNP at Market Price – Indirect Taxes + Subsidies
       C)   GNP at factor cost = GNP at Market Price + Indirect Taxes - Subsidies
       D)   GNP at factor cost = GNP at Market Price - Indirect Taxes – Subsidies

23.   When interest rate increases, people would like to hold less of idle balances,
       which causes a
       A)   Negative slope in the LM curve
       B)   Positive slope in the LM curve
       C)   Positive slope in the IS curve
       D)   Negative slope in the IS curve

24.   Total value of final goods and services produced in an economy during a year plus
       net income from abroad is called
       A)   Gross National Product   B)   Gross Domestic Product
       C)   Net National Product   D)   Net Domestic Product

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

35. Efficient Financial Market Hypothesis is developed by
    A) Paul Krugman   B) Christina Romer
    C) Milton Friedman   D) Eugene Fama

36. Accelerator coefficient is the ratio between
    A) Induced investment and an initial change in consumption expenditure
    B) Savings and consumption expenditure
    C) Income and consumption expenditure
    D) Profit and consumption expenditure

37. Which among the following is NOT a policy implication of the New Classical approach?
    A) Policy ineffectiveness proposition
    B) The output employment cost of reducing inflation
    C) The dynamic time inconsistency, credibility and monetary rules
    D) Aggregate demand determining the output model

38. *Economic Policy: Principles and Design* is authored by
    A) H.Theil   B) R.E. Lucas
    C) S.Fischer   D) J.Tinbergen

39. According to Lucas supply curve, the amount of output that the firms are willing to supply increases as the ratio of the actual to the expected price level------
    A) Remains constant   B) Increases
    C) Decreases   D) None of the above

40. According to monetarists, public sector investment crowds out private sector investment as a result of rise in
    A) The money supply   B) Aggregate demand
    C) Liquidity preference   D) Interest rates

41. Coefficient of variation is obtained by the formula
    A) Variance/Mean
    B) Median / Standard Deviation
    C) (Standard Deviation / Mean) × 100
    D) Mean/Standard Deviation

42. A distribution is said to be ------- if it is a peaked curve, when plotted
    A) Lepto kurtic   B) Platy kurtic
    C) Meso kurtic   D) None of the above

43. When there are both negative and positive observations ------ cannot be computed
    A) Harmonic Mean   B) Geometric Mean
    C) Both A and B   D) Arithmetic Mean

44. Deciles divide the total frequency distribution into ------ equal parts
    A) 2   B) 4   C) 6   D) 10

45. In a regression model, which of the following is NOT an assumption related to the error term
    A) Varying mean
    B) Constant variance
    C) Explanatory variables assumes fixed values in repeated sampling
    D) 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
    A) Determinant of A is one   B) Determinant of A is zero
    C) Determinant of A is ∞   D) Determinant of A is two

47. For a Total Cost function $TC = 20 + 3Q + 2Q^2$, Marginal Cost (MC) is
    A) $4 + 2Q$ B) $3 + 2Q$ C) $6 + 4Q$ D) $3 + 4Q$

48. Match list I with list II and select the correct answer using the codes given below

List I	List II
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
    A) We plot iso-cost lines and try to find the one which is closest to the origin and still touching the feasible region
    B) There are no non-negativity constraints
    C) The constraints may be equalities as well as inequalities
    D) None of the above

50. A matrix in which diagonal elements are one, and off diagonal elements are zero is termed as
    A) Identity matrix   B) Trace matrix
    C) Transpose matrix   D) 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)   Hover   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

86. Which model has suggested that growth is directly related to savings and indirectly to capital output ratio?
    A) Ricardo
    B) Lucas – Romer
    C) Meade
    D) Harrod Domar

87. The major difference between Harrod Domar and Solow models of growth lies in
    A) Definition of labour
    B) Definition of capital
    C) Substitutability between labour and capital
    D) Assumption regarding returns to scale

88. Mahalanobis model laid great stress on the development of
    A) Energy
    B) Heavy industries
    C) Agriculture
    D) Science and technology

89. The concept of Technological dualism is associated with
    A) B. Higgins
    B) Simon Kuznets
    C) J.H. Boeke
    D) H. Myint

90. Who has done the pioneering work to statistically separate the contribution of technological progress to economic growth?
    A) Robert Solow
    B) Myrdal
    C) B. Higgins
    D) J.R. Hicks

91. The theory of low level equilibrium trap is associated with
    A) H. Leibenstein
    B) Nelson
    C) H. Myint
    D) Lewis

92. Theory of growth developed by Schumpeter gives importance to the
    A) Role of innovation
    B) Development of infrastructure
    C) Role of managers
    D) Role of labour

93. ------- method of valuing an environment is NOT related to market price
    A) Hedonic methods
    B) Contingent Valuation
    C) Travel cost method
    D) None of the above

94. ------- method has frequently been used to value recreational sites
    A) Travel Cost method
    B) Marginal cost method
    C) Conjoint method
    D) None of the above

95. Value of a resource includes
    A) Option value
    B) Bequest value
    C) Existence value
    D) All of the above

96. The term 'option value' and its theoretical underpinning as a non – user benefit were initially developed in 1964 by -------
    A) R.G. Walsh
    B) Nicolas Stern
    C) Burton Weisbrod
    D) Coase

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

105. Match list I with list II and select the correct answer using the codes given below

List I	List II
a. Restatement of Quantity theory	1) Milton Friedman
b. Quantity theory of money	2) Irving Fisher
c. Inventory theory of money	3) Baumol

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

106. Which among the following are commercial banks?
1. RBI   II.SBI   III. NABARD   IV.LIC
A)   All the four   B)   IV only
C)   II and III only   D)   II only

107. According to which principle, the tax systems should be able to yield enough revenue for the treasury, and the government should not be forced to resort to deficit financing
A)   Canon of certainty   B)   Canon of productivity
C)   Canon of convenience   D)   None of the above

108. A tax is said to be regressive when its burden falls
A)   More heavily on the poor than on the rich
B)   Less heavily on the poor than on the rich
C)   Equally on the poor and the rich
D)   None of the above

109. Task force was set up under the chairmanship of Dr. Vijay L. Kelker in 2002 to
A)   Liberate the foreign trade sector in India
B)   Abolish the Gift Tax Act
C)   Recommend measures for the simplification and rationalization of direct and indirect taxes
D)   Abolish the indirect taxes

110. A tax will be fully borne by the buyers if the demand elasticity is
A)   1   B)   0   C)   ∞   D)   < 0

111. What is the correct sequence of the following

1. Marakkesh Declaration, 2. Smithsonian Agreement, 3. Keynes Plan

A)   1,2,3   B)   2,3,1   C)   3,2,1   D)   3,1,2

112. -------.is the theoretical possibility that the imposition of a tariff on imports may reduce the relative internal price of that good
A)   Leontiff Paradox   B)   Metzler Paradox
C)   Smith Paradox   D)   None of the above

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) Scare 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

_____