

Q1. Harrod's growth model is given as under

$$S_t = aY_t \quad 0 < a < 1$$

$$I_t = b(Y_t - Y_{t-1}) \quad b > 0$$

$$S_t = I_t$$

In the model, growth condition is

1. $b/(b-a) > 0$
2. $b/(b-a) < 0$
3. $a/b-a > 0$
4. $a/b-a < 0$

Ans: 1

Q2. Arrange in chronological order the following economists in relation to their contribution to the theory of consumer behaviour. Choose the correct answers

1. A. Marshall , R Stone, P Samuelson, J R Hicks, and R G D Allen
2. R Stone, P Samuelson, J R Hicks and R G D Allen and A Marshall
3. P Samuelson, J R Hicks and R G D Allen, R Stone and A Marshall
4. A Marshall, J R Hicks, R G D Allen, P Samuelson and R Stone

Ans: 4

Q3. Assertion : For certain goods, the expenditure by the consumer decreases.

Reason: For such goods, the income elasticity of demand is high

1. Both (A) and (R) are true and (R) is the correct explanation of (A)
2. Both (A) and (R) are true, (R) is not the correct explanation of (A)
3. (A) is true but (R) is false
4. (A) is false but (R) is true

Ans: 3

Q4. Assertion (A): CES production function covers large class of production functions

Reason (R) : CES production function has the property of constancy of elasticity of factor substitution

1. Both (A) and (R) are true and (R) is the correct explanation of (A)
2. Both (A) and (R) are true, (R) is not the correct explanation of (A)
3. (A) is true but (R) is false
4. (A) is false but (R) is true

Ans:1

Q5. Which of the following is the correct sequence in the ascending order of the magnitude?

1. Repo rate, Reverse Repo rate, Statutory Liquidity rate (SLR) and Marginal Standing Facility Rate (MSFR)
2. SLR, MSFR, Repo rate, Reverse Repo rate
3. Repo rate, SLR, MSFR, Reverse Repo rate
4. Reverse Repo rate, Repo rate, MSFR, SLR

Ans: 4

Q6. Match the following

List I

- (a) Forward exchange
- (b) Hedging
- (c) Arbitrage
- (d) Specie Point

List II

- (i) A device of covering exchange risk against the price rise of foreign currency
- (ii) A contract to buy and sell foreign exchange against another currency at some fixed rate in the future at a price agreed upon now.
- (iii) The movement of exchange rate between two limits set by the cost

- of moving gold from one country to another
- (iv) A mechanism which makes two markets that are physically separate, a single market in economic sense

Choose the correct option

1. (a) – ii, (b) – i, (c) – iv, (d) – iii
2. (a) – ii, (b) – iii, (c) – iv, (d) – i
3. (a) – iv, (b) – i, (c) – ii, (d) – iii
4. (a) – iv, (b) – iii, (c) – ii, (d) – i

Ans: 1

Q7. The 'Compensation Criterion' which says that state A is socially preferable to state B, if those who gain from the change can compensate the losers and yet end up with surplus welfare gain is attributed to :

1. W Pareto
2. N Kaldor
3. T Scitovsky
4. Bergson

Ans: 2

Q8. Which amongst the following market forms leads to most efficient allocation of resources?

1. Monopolistic Competition
2. Monopoly
3. Oligopoly
4. Perfect Competition

Ans: 4

Q9. For oil importing countries, the increase in oil prices in 1970's and mid 2000 contributed to which of the following:

- (a) Improving terms of trade
- (b) Balance of trade deficits
- (c) Price inflation
- (d) Constrained economic growth

Choose the correct option

1. (a) (b) and (c) only
2. (b) (c) and (d) only

3. (c) (d) and (a) only
4. (a) and (d) only

Ans: 2

Q10. Match the following

List I

- (a) Head count ratio
- (b) Poverty Gap
- (c) Square of poverty gap
- (d) Multi dimensional poverty index

List II

- (i) Extent of poverty
- (ii) Depth of poverty
- (iii) Poverty as deprivation
- (iv) Severity of poverty

Choose the correct answer:

1. (a) – ii, (b) – i, (c) – iv, (d) – iii
2. (a) – iii, (b) – ii, (c) – i, (d) – iv
3. (a) – i, (b) – iii, (c) – ii, (d) – iv
4. (a) – i, (b) – ii, (c) – iv, (d) – iii

Ans: 4

Q11. The phenomenon of 'Demographic Dividend' is related to which of the following?

1. An increase in sex rate
2. An increase in the share of female population
3. A decline in TFR
4. An increase in the share of working age population

Ans: 4

Q12. Heckscher - Ohlin trade model maintains that:

1. Comparative advantage determines the distribution of gains from trade
2. A country exports goods for which its resource endowments are most suited

3. Absolute Advantage Theory determines the distribution of the gains from trade
4. The division of labour is limited by the size of the world market

Ans: 2

Q13. Which among the following is not associated with the Optimum Theory of Population?

1. T R Malthus
2. H Dalton
3. E Cannon
4. Carr – Saunders

Ans: 1

Q14. Arrange the following events in chronological order

- (a) First phase of nationalization of commercial banks
- (b) Establishment of Narashiman committee on banking system
- (c) Enactment of FEMA act
- (d) Establishment of EXIM bank of India

Choose the correct option:

1. a c d b
2. a d b c
3. a c b d
4. a d c b

Ans: 2

Q15. On which date and year GST become effective in India?

1. 1st April 2017
2. 1st January 2017
3. 1st July 2017
4. 1st March 2018

Ans: 3

Q16. For Cobb - Douglas production function $Q = 100 L^{0.7} K^{0.3}$. Which of the following is true?

1. It is a linear homogenous function
2. It is characterized by constant returns to scale
3. It is having zero elasticity of factor substitution
4. It is characterized by unit elasticity of substitution

Ans: 3

Q17. Choose the correct option for which the allocation of inputs is technically efficient?

- (a) Output of one good cannot be decreased without increasing the output of another good
- (b) Consumption of one good cannot be increased without decreasing the consumption of another good
- (c) Consumer attains maximum satisfaction

Choose the correct option:

1. (b) only
2. (a) only
3. Both (a) and (c)
4. Both (b) and (c)

Ans: 2

Q18. Which among the following are the main pillars of the BASEL III norms?

- (a) Minimal capital requirements
- (b) Supervisory review process
- (c) Market discipline
- (d) Maximizing return on capital

Choose the correct option:

1. a, b and c only
2. a and d only
3. b and c only
4. b c and d only

Ans: 1

Q19. The elements given below are some of the parts of the M_4 money supply of Indian economy

- (a) Broad money (M_3)
- (b) All deposits with the post office savings bank
- (c) National savings certificate

Choose the correct option which constitute M_4

- 1. Only a and b
- 2. Only b and c
- 3. Only a and c
- 4. a, b, and c

Ans: 1

Q20. Which trade policy results in the government levying both a specific tariff and an advalorem tariff on imported goods?

- 1. Effective tariff
- 2. Revenue tariff
- 3. Compound tariff
- 4. Nominal tariff

Ans: 3

Q21. Kaldor's growth model incorporates some of the following assumptions

- (a) Total savings include savings out wages and savings out of profits
- (b) Marginal propensity to save out of wages is equal to the marginal propensity to save out of profits
- (c) Output consists of wages and profits
- (d) There is less than full employment

Choose the correct option

- 1. a and b
- 2. b and c
- 3. c and d
- 4. a and c

Ans: 4

Q22. Assertion (A): Intellectual Property Rights were brought into the Uruguay Round Trade Negotiations

Reason (R): International trade restrictions can be used to discourage the violation of intellectual property rights

- 1. Both (A) and (R) are true and (R) is the correct explanation of (A)
- 2. Both (A) and (R) are true, (R) is not the correct explanation of (A)
- 3. (A) is true but (R) is false
- 4. (A) is false but (R) is true

Ans: 2

Q23. Incidence of refers to

- 1. Whether a tax is progressive, proportional or regressive
- 2. An authority which collects the tax
- 3. The person or group who ultimately pays the tax
- 4. How a tax is collected

Ans: 3

Q24. Which is correct chronological order of Economists contributing to input - output analysis?

- 1. Hawkins – Simon, Leontief, Karl Marx, Quesnay
- 2. Karl Marx, Quesnay, Leontief, Hawkins - Simon
- 3. Quesnay, Karl Marx, Leontief , Hawkins - Simon
- 4. Leontief, Hawkins-Simon, Karl Marx, Quesnay

Ans: 3

Q25. Consider the following statements

- (I) Preferring to a certain income to a risky income with the same level of expected value lead to a risk averse behaviour

(II) Being indifferent between a certain income and uncertain income with the same level of expected value leads to risk averse behaviour

Which of the statements is/are true?

1. Both I and II
2. Neither I nor II
3. Only I is true
4. Only II is true

Ans: 3

Q26. Arrange in chronological order of the following contributions of economists in theory of consumer. Choose the correct answer

1. Linear expenditure system, Revealed preference theory, cardinal theory, ordinal theory
2. Cardinal theory, ordinal theory, revealed preference theory, linear expenditure system
3. Cardinal theory, revealed preference theory, ordinal theory, Linear expenditure system
4. Revealed preference theory, cardinal theory, linear expenditure theory, ordinal theory

Ans: 2

Q27. The whole burden of tax will be borne by the consumer if

1. The demand for commodity is perfectly elastic and supply is perfectly inelastic
2. The elasticity of demand for a commodity is same as the elasticity of supply of the commodity
3. The demand for a commodity is inelastic and supply is perfectly elastic
4. The elasticity of demand for a commodity is less than the elasticity of supply of that commodity

Ans: 3

Q28. Given the saving function $S = -20 + 0.2Y$ and autonomous investment $(I) = \text{Rs. } 100$ million, the equilibrium of level of consumption would be

1. 500
2. 600
3. 400
4. 700

Ans: 1

Q29. Arrange the following books in correct chronological order

- (a) Das Capital
- (b) Value and Capital
- (c) Capital and Growth
- (d) Accumulation of capital

Choose the correct option:

1. d b c a
2. a b d c
3. a b c d
4. b a d c

Ans: 3

Q30. Match the following

List – I

- (a) E Cannon
- (b) Frank Netstein
- (c) Brundtland
- (d) Ronald Coase

List – II

- (i) Optimum population
- (ii) Transaction costs
- (iii) Demographic transition
- (iv) Sustainable development

Choose the correct option

1. (a) – i, (b) – ii, (c) – iii, (d) – iv
2. (a) – ii, (b) – i, (c) – iv, (d) – iii
3. (a) – i, (b) – iii, (c) – iv, (d) – ii

4. (a) – iii, (b) – iv, (c) – ii, (d) – i

Ans: 4

Ans: 3

Q31. Match the test with their purpose

List – I

- (a) Dickey Fuller test
- (b) Box – Jenkins test
- (c) Glejser test
- (d) Granger test

List – II

- (i) Heteroscedasticity
- (ii) Causality
- (iii) Forecasting
- (iv) Stationarity

Choose the correct option

- 1. (a) – iii, (b) – i, (c) – ii, (d) – iv
- 2. (a) – ii, (b) – iv, (c) – i, (d) – iii
- 3. (a) – iv, (b) – iii, (c) – i, (d) – ii
- 4. (a) – i, (b) – ii, (c) – iii, (d) – iv

Ans: 3

Q32. Autonomous investment could be attributed to

- (a) Level of technology
- (b) Expectation
- (c) Level of national income

Choose the correct option

- 1. a and c only
- 2. b and c only
- 3. a and b only
- 4. a b and c

Ans: 4

Q33. In which of the following products, problem of adverse selection is encountered?

- 1. Market of insurance
- 2. Market of credit
- 3. Neither 1 nor 2
- 4. Both 1 and 2

Q34. The total cost function of a firm is

$C = 1/10 q^3 - 3q^2 + 50q + 300$ where C= total cost, q = output, Marginal cost at q= 10 is

- 1. 20
- 2. 10
- 3. 30
- 4. 50

Ans: 1

Q35. Consider the following statements

- (a) India's trade policy review (TPR) is carried out every four years
- (b) WTO has a mechanism for regular review of the trade policies of member countries

Which of the following statements is/are correct?

- 1. Only a
- 2. Only b
- 3. Both a and b
- 4. Neither a nor b

Ans: 3

Q36. Consider the following statements about the social cost - benefit analysis for viability of projects. Which of the following statements are true for this analysis?

- (a) IRR should be greater than Social Discount Rate
- (b) NPV should be equal to zero
- (c) Shadow prices are used for the calculation of benefits and costs

Choose the correct option

- 1. a and c
- 2. a and b
- 3. b and c
- 4. a only

Ans: 1

Q37. Assertion (A): Disguised unemployment is present in India

- (a) W A Lewis
- (b) H W singer
- (c) R Nelson
- (d) Ragnar Nurkse

Reason (R): Agricultural productivity at margin is close to zero

1. Both (A) and (R) are true and (R) is the correct explanation of (A)
2. Both (A) and (R) are true, (R) is not the correct explanation of (A)
3. (A) is true but (R) is false
4. (A) is false but (R) is true

Ans: 1

Q38. Analysis of variance is carried out by using:

1. t- test
2. Z- test
3. χ^2 – test
4. F – test

Ans: 4

Q39. Match the Economists with their field of contribution in Mathematical economics

List I

- (a) Slutsky
- (b) Arrow
- (c) Leontief
- (d) Dantzig

List II

- (i) Linear programming
- (ii) Input - output analysis
- (iii) Consumer behaviour analysis
- (iv) CES production function

Choose the right combination

1. (a) – ii, (b) – iv, (c) – i, (d) – iii
2. (a) – iii, (b) – iv, (c) – ii, (d) – i
3. (a) – i, (b) – ii, (c) – iv, (d) – iii
4. (a) – iv, (b) – i, (c) – iii, (d) – ii

Ans: 2

Q40. Who among the following economists are associated with the 'Balanced Growth' doctrine?

Choose the correct option

1. a and d
2. c and d
3. a and b
4. b and c

Ans: 1

Q41. Assertion (A) : Parties to a dispute over property rights will be able to negotiate an economically optimal solution

Reason (R) : There are efficient, competitive markets and there are no transactions cost

1. Both (A) and (R) are true and (R) is the correct explanation of (A)
2. Both (A) and (R) are true, (R) is not the correct explanation of (A)
3. (A) is true but (R) is false
4. (A) is false but (R) is true

Ans: 1

Q42. When the market rate of interest falls which one of the following will happen?

1. Bond price and bond yield, both will rise
2. Bond price and bond yield, both will fall
3. Bond price will rise and bond yield will fall
4. Bond price will fall and bond yield will rise

Ans: 3

Q43. Assertion (A): Geometric mean is theoretically considered as the best average to construct index numbers

Reason (R): Geometric mean is used if the range of observations are extremely large

1. Both (A) and (R) are true and (R) is the correct explanation of (A)

2. Both (A) and (R) are true, (R) is not the correct explanation of (A)
3. (A) is true but (R) is false
4. (A) is false but (R) is true

Ans: 2

Q44. The elasticity of substitution (σ) of the production function which admits of both Hicks and Harrod neutral technical progress would be:

1. $\sigma=0$
2. $\sigma=1$
3. $\sigma=\infty$
4. $0 < \sigma < 1$

Ans: 2

Q45. Assertion (A): In classical model investment demand is regarded as autonomous of changes in income or employment

Reason (R): It is wage price flexibility which brings full employment in the classical model

1. Both (A) and (R) are true and (R) is the correct explanation of (A)
2. Both (A) and (R) are true, (R) is not the correct explanation of (A)
3. (A) is true but (R) is false
4. (A) is false but (R) is true

Ans: 4

Q46. Two series are given as under

(a) $1 - \frac{1}{2} + \frac{1}{4} - \frac{1}{8} + \frac{1}{16} - \frac{1}{32} + \dots$ upto ∞

(b) $2 + \sqrt{2} + 1 + \frac{1}{\sqrt{2}} + \frac{1}{2} + \frac{1}{2\sqrt{2}} + \dots$ upto ∞

Choose the correct option:

1. (a) is convergent while (b) is divergent series
2. Both (a) and (b) are convergent series
3. (a) is divergent while (b) is convergent series
4. None of (a) and (b) are convergent

Ans: 2

Q47. Which of the following statements are true concerning a triangular or recursive system?

- (a) The parameters can be validly estimated using separate applications of OLS to each equation
- (b) The independent variables may be correlated with the error terms in other equation
- (c) The application of two - stage least squares would lead to unbiased but inefficient parameter estimation
- (d) The independent variables may be correlated with the error terms in the equation in which they appear as independent variables

Choose the correct option:

1. a and d only
2. a and c only
3. a b and c only
4. a b c and d

Ans: 3

Q48. Three statements are given as under

- (a) Generalized least square (GLS) method is capable of providing BLUE in situations where OLS fails
- (b) GLS is OLS on the transformed variables that satisfy the standard least squares assumptions
- (c) GLS method is suitable for dealing with multicollinearity problem

Choose the correct option:

1. a and b are correct but c is not correct
2. a and c are correct but b is not correct
3. a is correct but b and c are not correct
4. a is not correct but b and c are correct

Ans: 1

Q49. 'Displacement effect' in the Peacock-Wiseman Hypothesis implies:

1. An upward displacement of public expenditure according to higher economic growth
2. The movement from older level of public expenditure and taxation to a newer and higher level
3. Public expenditure increases at steady rate and reaches higher level
4. Government undertakes more and newer activities and hence public expenditure rises steeply upwards

Ans: 2

Q50. Which amongst the following is not the source of the income of RBI?

1. Interest on government bonds held for conducting open market operations
2. Income from investment in foreign currency assets
3. Retained earnings net of dividend paid to government of India
4. Dividend on the shares of private equity held with the bank

Ans: 4

Q51. Who is the author of the book 'freedom as development'?

1. Gunnar Myrdal
2. F A Von Hayek
3. Amartya Sen
4. Paul A Samuelson

Ans: 3

Q52. If in a given situation, $P_x=170$, $P_m=190$ and $Z_x=152$, then which of the following will be the value of Single Factorial Terms of Trade (T_s):

1. 136
2. 148
3. 84
4. 116

Ans: 1

Q53.

Inverse of matrix $\begin{bmatrix} 2 & 0 & 0 & 0 \\ 0 & 4 & 0 & 0 \\ 0 & 0 & 5 & 0 \\ 0 & 0 & 0 & 1 \end{bmatrix}$ is

(1) $\begin{bmatrix} 0.25 & 0 & 0 & 0 \\ 0 & 0.5 & 0 & 0 \\ 0 & 0 & 0.2 & 0 \\ 0 & 0 & 0 & 1 \end{bmatrix}$

(2) $\begin{bmatrix} 0.2 & 0 & 0 & 0 \\ 0 & 1 & 0 & 0 \\ 0 & 0 & .25 & 0 \\ 0 & 0 & 0 & 0.5 \end{bmatrix}$

(3) $\begin{bmatrix} 0.5 & 0 & 0 & 0 \\ 0 & 0.25 & 0 & 0 \\ 0 & 0 & 0.2 & 0 \\ 0 & 0 & 0 & 1 \end{bmatrix}$

(4) $\begin{bmatrix} 0.5 & 0 & 0 & 0 \\ 0 & 0.25 & 0 & 0 \\ 0 & 0 & 1 & 0 \\ 0 & 0 & 0 & 0.4 \end{bmatrix}$

Ans: 3

Q54. Under which article of the constitution of India, President is empowered to appoint The Finance Commission

1. 279
2. 280
3. 281
4. 282

Ans: 2

Q55. Among normal cost curves which one of the following curve does not have a minimum point?

1. Average cost
2. Marginal cost
3. Average variable cost
4. Average fixed cost

Ans: 4

Q56. Which one of the following institutions is related with the Green/Blue Box Subsidies?

- (a) United Nations
- (b) World Bank
- (c) World Tourism Organisation
- (d) World Trade Organization

Choose the correct option:

1. a and d
2. b and d
3. only d
4. only b

Ans: 3

Q57. Which of the following is not an example of 'market failure'?

1. Monopolies
2. Asymmetric information
3. Economies of scale
4. Externalities

Ans: 3

Q58. Which one of the following is an example of positive externality?

1. Public immunizations
2. Increase of corporate taxes
3. Issuing extra permits for pollutions
4. Monitoring the hazards caused by industries

Ans: 1

Q59. Consider an economy with a linear homogeneous Cobb – Douglas production function with two inputs – capital and labour. The share of capital and labour are, respectively, $\frac{1}{3}$ and $\frac{2}{3}$. The rates of growth of capital and labour are, respectively 6% and 3% per annum. If the rate of growth of output is 6% per annum, what is the rate of growth of output due to Total Factor Productivity (TFP)?

1. 1%
2. 2%
3. 3%
4. 4%

Ans: 2

Q60. Match the following

List- I

- (a) Treasury bill
- (b) Commercial papers

- (c) Repo rate
- (d) SDRs

List – II

- (i) RBI
- (ii) IMF
- (iii) Government
- (iv) Private companies

Choose the correct option:

1. (a) – iv, (b) – iii, (c) – ii, (d) – i
2. (a) – iii, (b) – iv, (c) – ii, (d) – i
3. (a) – iii, (b) – iv, (c) – i, (d) – ii
4. (a) – iv, (b) – iii, (c) – i, (d) – ii

Ans: 3

Q61. The inventory approach to the transaction demand suggests that the transaction component of demand for money is:

1. Negatively related to real wealth
2. Negatively related to real income
3. Negatively related to nominal income
4. Negatively related to interest rate

Ans: 4

Q62. A tax of Rs. 20 per unit of imported cheese would be an example of a/an:

1. Compound tariff
2. Specific tariff
3. Effective tariff
4. Ad valorem tariff

Ans: 2

Q63. For an exactly identified equation, the order condition that should be fulfilled is that equation must:

1. Exclude one less than the total number of endogenous variables in the model
2. Include one less than the total number of endogenous variables in the model
3. Include only one of the endogenous variables in the model

4. Exclude two or more endogenous variables

Ans: 1

Q64. Identify the correct chronological order of the following

- Hayek theory of investment
- Fisher theory of investment
- Jorgenson's theory of investment
- Markowitz theory of investment

Select the correct option:

- b a d c
- d b c a
- c a b d
- a c d b

Ans: 1

Q65. Which one of the following statements is not correct for the textile sector in India?

- India's textile and clothing sector currently employs 35 million people
- After agriculture, it is second largest provider of employment
- Textile sector has a tendency to shrink as the GDP and economy grow
- Textile sector is a major absorber of low skilled labour

Ans: 3

Q66. Assertion (A): Inclusive growth is a must for a country like India

Reason (R): India is an open economy with a significant external sector

- Both (A) and (R) are true and (R) is the correct explanation of (A)
- Both (A) and (R) are true, (R) is not the correct explanation of (A)
- (A) is true but (R) is false
- (A) is false but (R) is true

Ans: 2

Q67. Match the following

List – I

- CAPART
- SIDO
- NAFED
- AGMARK

List – II

- Agricultural marketing
- Quality guarantee
- Small industries
- Rural technology

Choose the correct option:

- (a) – i, (b) – ii, (c) – iii, (d) – iv
- (a) – iv, (b) – iii, (c) – ii, (d) – i
- (a) – iv, (b) – ii, (c) – iii, (d) – i
- (a) – ii, (b) – iv, (c) – i, (d) – iii

Ans: 2

Q68. Match the following

List A

- Quasi rent
- Planned sales curve
- Monopoly power
- Strong ordering of preferences

List B

- A P Lerner
- P A Samuelson
- A Marshall
- F Chamberlin

Choose the correct option:

- (a) – iii, (b) – iv, (c) – i, (d) – ii
- (a) – iii, (b) – iv, (c) – ii, (d) – i
- (a) – iv, (b) – iii, (c) – i, (d) – ii
- (a) – iii, (b) – i, (c) – iv, (d) – ii

Ans: 1

Q69. Match the following

4. 99%

List – I

- (a) Fiscal deficit
- (b) Budget deficit
- (c) Revenue deficit
- (d) Primary deficit

Ans: 2

Q72. In solvency and bankruptcy code is primarily entrusted with which of the following

- 1. Facilitating the recovery of government dues and debt
- 2. Facilitating recovery of debt given by foreign banks to Indian companies
- 3. Facilitating banks recover higher amount of bad loans than they recovered earlier
- 4. Facilitating banks recover their dues from the priority sector

List – II

- (i) Excess of total expenditure over total receipts
- (ii) Excess of revenue expenditure over revenue receipts
- (iii) Excess of total expenditure over total receipts less borrowings
- (iv) Excess of total expenditure over total receipts less borrowing and interest payments

Ans: 3

Q73. Identify the method not being used for unemployment estimation by the NSSO of India

Choose the correct option:

- 1. (a) – iii, (b) – i, (c) – ii, (d) – iv
- 2. (a) – i, (b) – iii, (c) – ii, (d) – iv
- 3. (a) – iii, (b) – i, (c) – iv, (d) – ii
- 4. (a) – iv, (b) – iii, (c) – ii, (d) – i

- 1. Current monthly status
- 2. Current daily status
- 3. Current weekly status
- 4. Usual principal and subsidiary status

Ans: 1

Ans: 1

Q70. Friedman's modern Quantity Theory of Money concludes that changes in aggregate spending are primarily determined by changes in

Q74. Arrange the following theories of international trade in chronological order

- 1. The money supply
- 2. Interest rate
- 3. The velocity of money
- 4. Government spending and taxes

- (a) Theory of opportunity cost
- (b) Theory of comparative cost
- (c) Factor price equalisation theorem
- (d) Theory of absolute cost

Ans: 1

Identify the correct order:

Q71. Under Normal Probability Curve the area within the range of $\mu - 1.96\sigma$ & $\mu + 1.96\sigma$ (where μ =mean, σ =standard deviation) is :

- 1. d b a c
- 2. c b d a
- 3. b d a c
- 4. a c d b

- 1. 90%
- 2. 95%
- 3. 75%

Ans: 1

Q75. Which one of the following is not a feature of contingent valuation method?

1. It is an economic non – market based valuation method
2. It is based on the maximum willingness to pay by the consumers
3. It is used only in case of air pollution
4. It is used under the condition of market failure

Ans: 3

Q76. Boot strapping technique is used to:

1. Test for specification bias
2. Obtain sampling distribution of parameters of interest
3. Test for auto-correlation
4. Test for normality of error terms

Ans: 2

Q77. Which amongst the following is the function of SEBI?

1. Regulation of money market
2. Regulation of public debt
3. Regulation of commodity market
4. Regulation of primary and secondary security market

Ans: 4

Q78. Consider the following statements about the correct order of the stages of demographic transition associated with economic development:

- (a) Low birth rate with low death rate
- (b) High birth rate with high death rate
- (c) High birth rate with low death rate

Choose the correct option:

1. b c a
2. c b a
3. a b c
4. c a b

Ans: 1

Q79. The problem relating to burden of public debt has been dealt by

- (a) A P Lerner
- (b) E D Domar
- (c) A C Pigou
- (d) A H Hansen

Choose the correct answer:

1. a and b
2. b and c
3. a and d
4. b and d

Ans: 2

Q80. In which of the following models 'Knife – edge' problem occur?

1. Kaldor
2. Solow
3. Harrod
4. Swan

Ans: 3

Q81. Which one of the following is correct for the money supply measure – M_1 ?

1. Currency with the public + demand deposits of Commercial banks + other deposits at a point of time
2. Currency with the public + demand deposits of banks + other deposits over one year
3. Currency with the public + all bank deposits at a point of time
4. Currency with the public + post office deposits + other deposits at a point of time

Ans: 1

Q82. For which of the following consumption function the value of the income multiplier $K = 4$?

1. $C = 100 + 0.5Y$

2. $C = 50 + 0.8Y$
3. $C = 200 + 0.75Y$
4. $C = 50 + 0.4Y$

Ans: 3

Q83. Assertion (A) : In order to control inflationary tendencies, RBI raises the Repo rate

Reason (R): By so doing, RBI wishes to control consumption demand

1. Both (A) and (R) are true and (R) is the correct explanation of (A)
2. Both (A) and (R) are true, (R) is not the correct explanation of (A)
3. (A) is true but (R) is false
4. (A) is false but (R) is true

Ans: 3

Q84. Under which of the following approaches Phillips curve analysis hold good?

- (a) Adaptive expectations
- (b) Rational expectations

Choose the correct option:

1. Only a
2. Only b
3. Both a and b
4. Neither a nor b

Ans: 4

Q85. In linear programming each problem (called primal) has a dual. About duality in Linear Programming following statements are given:

- (a) If a linear programming problem is maximizing type, then its dual is minimizing type
- (b) Both primal and dual have same optimum value
- (c) Dual of dual of a linear programming problem is primal problem

- (d) If maximizing linear programming problem is with "less than" type constraints, the dual of this problem will have "more than" type constraints

Choose the correct option:

1. Only a and b are correct
2. Only c and d are correct
3. a b and c are correct
4. a b c and d are correct

Ans: 4

Q86. In terms of their contribution to Econometrics which is correct chronological order

1. L R Klein, H Theil, A L Nagar, T Haavelmo
2. A L Nagar, T Haavelmo, L R Klein, H Theil
3. T Haavelmo, L R Klein, H Theil, A L Nagar
4. H Theil, L R Klein, A L Nagar, T Haavelmo

Ans: 3

Q87. Consider the following statements:

- (a) The main objective of the National Agricultural Insurance Scheme (NAIS) is to protect the farmers against losses suffered by them due to crop failure on account of national calamities
- (b) The National Agricultural Insurance Scheme (NAIS) is available to all the farmers both loanee and non - loanee irrespective of their size of holding

Which of the statements given above is/are correct?

1. Only a
2. Only b
3. Both a and b
4. Neither a nor b

Ans: 3

Q88. Match the following

List –I

- (a) Marginalist Revolution
- (b) Multiplier- Accelerator model
- (c) IS-LM curves
- (d) Real business cycle

List –II

- (i) Samuelson
- (ii) J R Hicks
- (iii) Jevous
- (iv) Robert J Borro

Choose the correct option

- 1. (a) – iii, (b) – i, (c) – ii, (d) – iv
- 2. (a) – ii, (b) – iv, (c) – i, (d) iii
- 3. (a) – iii, (b) – ii, (c) – iv, (d) – i
- 4. (a) – i, (b) – iv, (c) – iii, (d) – ii

Ans: 1

Q89. Arrange the following in chronological order

- (a) The Indirect Tax Enquiry Committee (Jha Committee)
- (b) Tax Reforms Committee (R J Chellaiah committee)
- (c) Taxation enquiry Commission (Mathur Committee)
- (d) The Direct Tax Enquiry Committee (Wanchoo Committee)

Choose the correct option:

- 1. c b d a
- 2. c a d b
- 3. b c a d
- 4. c d a b

Ans: 4

Q90. Arrange the following in the chronological order in which these happened:

- (a) Paris Climate Agreement
- (b) Rio Earth Summit

- (c) Brundtland commission
- (d) Kyoto Protocol

Choose the correct option:

- 1. a b c d
- 2. b d a c
- 3. d b c a
- 4. c b d a

Ans: 4

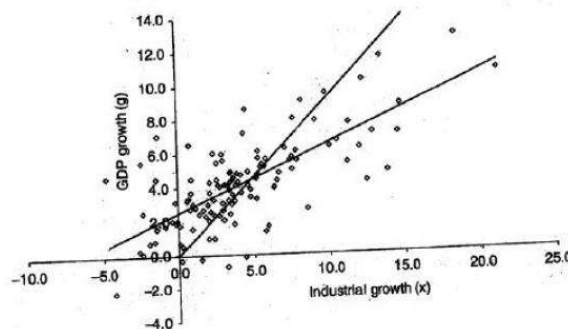
Read the passage and answer the questions from Q91-Q95

Industrialization and growth

From the global perspective, there seems to be a close association across countries between living standards and the share of resource devoted to industrial activities, at least up to a certain point. In very poor countries there is virtually no industrial activity at all, while the middle- and high-income countries devote 20-40 per cent of resources to industry. Only three countries in the world have become rich on agriculture alone : Australia, New Zealand and Canada. In all other countries, living standards have risen rapidly only as resources have shifted out of agriculture into industry and sophisticated services.

Furthermore, research also shows a close association across countries between the growth of industry and the growth of GDP; or more precisely, that GDP growth is faster the greater the excess of industrial growth relative to GDP growth; that is, when the share of industry in total GDP is rising the fastest. Figure shows this relationship across 131 developing countries over the period 2000-2005, with GDP growth measured on the vertical axis and the growth of industry.

Association between growth of industry and growth of GDP



on the horizontal axis. The scatter points represents the individual country observations. A line through the points with a slope less than unity shows that the greater the industrial growth over GDP growth, the faster GDP seems to be. The point where the line cuts the 45-degree line gives the average growth rate that divides countries into those where the shares of industry is falling and are growing slowly, and those where the shares of industry is rising and are growing fast. A linear equation fitted to the scatter points gives the following regression result:

$$g = 2.529 + 0.394x \quad r^2 = 0.507$$

The equation says that the country with industrial growth one percentage point above the average for all countries will have GDP growth of 0.394 percentage points above the average and the point where the regression line cuts the 45-degree line is approximately 4.5. This rate of industry growth separates the slow-growing countries from the faster growing countries.

The question is: what is special about industry, and particularly manufacturing, which accounts for these empirical associations, and which makes industry 'the engine of growth'? Since differences in the growth of GDP are largely accounted for by differences in the rate of growth of labour productivity, there must be an association between the growth of industry and the growth of labour productivity. This is to be expected for two main reasons. First, if there are increasing returns to scale in industry, both static and dynamic, a rise in the growth of industry output and the growth of labour productivity. Static economies of scale refer to the economies of large-scale production whereby the mass production of commodities allows them to be produced at a lower cost. Dynamic economies of scale refer to the induced effect that output growth through capital accumulation and the embodiment of new technical progress in capital productivity also increases as output growth through 'learning by doing'. Second, if outside industry, such as agriculture and petty services, are subject to diminishing returns with the marginal product of labour less than the average product, then if resources are drawn from these activities into industry as industry expands, the average product will rise in non-industrial activities.

These relationships between industrial growth, productivity growth and GDP growth are known in the growth and development literature as Kaldor's Growth Laws, named after the famous Cambridge economist (Lord) Nicholas Kaldor, who first enunciated them in the 1960s (Kaldor, 1966, 1967).

Q91. Which of the following statement is correct?

1. There is a positive relation between living standard and resources denoted to industrial activity in few countries
2. There is a close association between living standards and resources utilized
3. The relation between the living standards and resources denoted to industrial activity is globally true
4. There is little association between living standards and resources utilized

Ans: 3

Q92. Dynamic economies of scale do not include which one of the followings:

1. Induced effect of output growth on capital accumulation
2. Improvement in quality of capital due to new technology
3. The labour intensive sector will experience increasing returns will growth of output

4. A shift from less productive to more productive sector will lead to a rise in the average product of labour

Ans: 3

Q93. Consider the following statements:

- (a) The association between growth of industry and growth of GDP, make industry the 'engine of growth'
- (b) Differences in GDP growth do not account for growth in labour productivity
- (c) GDP growth rate are reflected in the growth rate of labour productivity
- (d) The growth of industry is subject to increasing returns

Choose the correct option:

1. a b and c
2. a and c
3. b c and d
4. b and d

Ans: 2

Q94. Which one of the following statement is not correct for middle and highly developed countries?

1. These devote on an average 30% of the resources to industrial activity
2. Growth of industrial activity involves shift of resources from agriculture to industry
3. Shift of resources is uniform between agriculture industry and higher order services for higher growth
4. Australia, Canada, and New Zealand have developed due to growth of agriculture alone

Ans: 3

Q95. Consider the following statements in relation to the figure.

- The 45° line would indicate equal correspondence between industrial growth rate and GDP growth rate
- GDP growth rate is the cause of industrial growth rate
- The excess of industrial growth rate over GDP growth rate is fuelling more GDP
- The dividing line of slow and fast growing economies is the industrial growth rate of 3.9%

Choose the correct option:

- Only a and c are true
- Only a and b are true
- Only a b and d are true
- Only b and d are true

Ans:1

Read the following passage and answer from Q96 – Q100

The SDGs are global goals, built upon the erstwhile Millennium Development Goals. They are exhaustive, universal and integrated and emphasize on core areas of poverty and inequality, economic growth, innovation, sustainable consumption and production, climate change, peace and justice and partnerships by implementing a comprehensive array of schemes. Current flagship policies and programmes of Government of India such as Swachh Bharat Mission (SBM), Beti Bachao Beti Padhao (BBBP), Pradhan Mantri Awas Yojana (PMAY), Pradhan Mantri Jan-Dhan Yojana (PMJDY), Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) and Pradhan Mantri Ujjwala Yojana (PMUY) have substantially contributed to India's progress in this regard.

In the Federal context of India, programmes and schemes are basically implemented at the level of States and Union Territories. Tracking of progress on different SDGs, therefore, is important for appropriate policy actions and building up a competitive spirit among the States and UTs. NITI Aayog has come up with a single measurable index to track the progress of all the States and UTs across 13 out of 17 SDGs (excluding Goal 12, 13, 14 and 17 on account of unavailability of comparable data across States/UTs). This SDG index provides an aggregate assessment of India's progress. This index helps in informed policy formulations as it captures status of both national and state-level social, economic and environmental parameters across a set of 62 select indicators. The scores varies from 0 to 100. States with scores equal to/greater than 65 are considered as **Front-Runners**; as **Performers** in the range of 50-64 and as **Aspirants** if the score is less than 50. State with an index score of 100 are classified as **Achievers** i.e. the states have achieved the national target set for 2030. A score of 0 denotes worst performance. The SDG Index Score ranges between 42 and 69 for States and between 57 and 68 for UTs.

Estimates suggest that US\$5 to US\$7 trillion per year is required for financing worldwide and US\$3.9 trillion per year in developing countries. However, investment in developing countries is around US\$1.4 trillion leading to a short trillion per year (UNCTAD, 2014). Global action of this scale requires strong between different governments, development institutions, private sector institutions for the effective financing and implementation across the globe.

Sustainable development requires every nation to prioritize their targets, implement various schemes/programmes in accordance with local challenges, available resources. India follows a holistic approach for achieving the SDGs.

Q96. Which is the range of the SDG Index score for states in India?

- 42-69

- 57-68
- 42-57
- 42-68

Ans: 1

Q97. Which of the following is not correct about the SDGs Index constructed by NITI Aayog?

- It include 13 SDGs
- It has 62 indicators
- Goals 12,14 are excluded from it
- The range of the index is 0 to 1

Ans: 4

Q98. Which of the following is not true for the Sustainable Development Goals (SDGs)

- Poverty and inequality
- Climate change
- Millennium Development Goals
- Sustainable consumption

Ans: 3

Q99. The SDG Index of NITI Aayog classifies the states/UTs into different categories. Match the category with the respective score:

Category

- Performers
- Aspirants
- Front-Runners
- Achievers

Score

- 50-64
- ≥ 65
- 100
- < 50

Choose the correct option:

- (a) – iv, (b) – i, (c) – iii, (d) – ii
- (a) – ii, (b) – iii, (c) – i, (d) – iv
- (a) – i, (b) – iv, (c) – ii, (d) – iii
- (a) – iii, (b) – ii, (c) – iv, (d) – i

Ans: 3

Q100. Which of the following Government of India's schemes contribute to India's progress towards the SDGs?

- (a) Swachh Bharat Mission
- (b) Pradhan Mantri Ujjwala Yojana
- (c) Pradhan Mantri Saubhagya Yojana
- (d) Pradhan Mantri MUDRA Yojana

Choose the correct option:

- 1. a and b
- 2. a and c
- 3. c and d
- 4. b and d

Ans: 1

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