

December 2021 – June 2022 UGC NET Economics

1. The irrelevance of money for real variables in the classical system is called

Options:-

- A. Fiscal neutrality
- B. Monetary neutrality
- C. Exchange rate neutrality
- D. Technological neutrality

ANS:B

2. Arrange the following in ascending order

- a. Growth rate of Gross National Income (at constant price) of India in 2015-16
- b. Growth rate of Gross National Income (at constant price) of India in 2016-17
- c. Growth rate of Gross National Income (at constant price) of India in 2017-18
- d. Growth rate of Gross National Income (at constant price) of India in 2018-19
- e. Growth rate of Gross National Income (at constant price) of India in 2019-20

Choose the correct answer from the options given below :

Options:-

- A. (e), (a), (d), (c), (b)
- B. (c), (e), (b), (d), (a)
- C. (e), (d), (c), (a), (b)
- D. (c), (d), (e), (b), (a)

ANS:C

3. A bag contains 20 rickets marked with numbers 1 to 20. One ticket is drawn at random. Find the probability that will be multiple of 2 or 5.

Options:-

- A. 0.7
- B. 0.9
- C. 0.6
- D. 0.3

ANS:C

4. Given below are two statements :

Statement I : Taking advantage of the increased demand for staples during the COVID-19 pandemic. India's agricultural exports continued to do well in 2021-22

Statement II : In the year 2020-21, segments like marine products, buffalo meat, tea, coffee and dairy products continued to perform poorly in terms of exports from India in 2021-22

In the light of the above statements, choose the correct answer from the options given below :

Options:-

- A. Both Statement I and Statement II are true
- B. Both Statement I and Statement II are false
- C. Statement I is true but Statement II is false



D. Statement I is false but Statement II is true

ANS:C

5. Match List I with List II:

List I	List II
a. Rural-Urban migration	i. Arthur Lewis
b. Economic development with unlimited supply of labour	ii. Gunnar myrdal
c. Process of cumulative causation	iii. Raul Prebisch
d. Decline in terms of trade of primary commodities	iv. Harris-Todaro

Choose the correct answer from the options given below :

Options:-

- A. (a)-(i), (b)-(iv), (c)-(ii), (d)-(iii)
- B. (a)-(iv), (b)-(i), (c)-(ii), (d)-(iii)
- C. (a)-(i), (b)-(iv), (c)-(iii), (d)-(ii)
- D. (a)-(i), (b)-(iii), (c)-(ii), (d)-(iv)

ANS: B

6. Real and nominal income is calculated respectively at

Options:-

- A. Current and constant prices
- B. Constant and current prices
- C. Constant and constant prices
- D. Current and current prices

ANS: B

7. Match 'Labour Force' with the appropriate item from among the following :

Options:-

- A. Total work force
- B. Employed + unemployed
- C. Total educated manpower
- D. Population in the age group 15 – 60

ANS: B

8. In which year, Gross Domestic saving rate was the highest?

Options:-

- A. 2004-05
- B. 2007-08
- C. 2011-12
- D. 2016-17

ANS: B





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9. With reference to the views of classical on public debt, which of the followings are correct:
- Future financing gets more troublesome due to public debt
 - Public debt leads to a reduction of resources for productive private employment
 - Increasing public debt leads to currency depreciation and deflationary situations in the economy
 - Debt financing requires funds for interest payment and amortization, hence a double burden for exchequer
 - Public debt leads to productive activities
- Choose the most appropriate answer from the options given below :

Options:-

- (a), (e) and (b)
- (c), (d) and (e)
- (e), (d) and (a)
- (a), (b) and (d)

ANS: D

10. In Harrod-Domar Model, if the growth rate of income is 8% and the capital output ratio is 4% then the saving rate must be

Options:-

- 32%
- 2%
- 36%
- 1/2%

ANS: A

11. Given below are two statements :

Statement I : Devaluation always correct a chronic balance of payments deficit.

Statement II: An expected devaluation leads speculative, capital outflows from domestic country.

In the light of the above statements, choose the correct answer from the options given below :

Options:-

- Both Statement I and Statement II are true
- Both Statement I and Statement II are false
- Statement I is true but Statement II is false
- Statement I is false but Statement II is true

ANS: D

12. If time deposit is not included, then the money multiplier will be (Cr = currency deposit ratio, rr = reserve deposit ratio)

Options:-

- $(Cr + rr) / (1 + Cr)$
- $(Cr + rr) / (rr + 1)$
- Cr / rr



D. $(Cr+1) / (rr + Cr)$

ANS: D

13. The strategy of choosing the policy which has the best possible outcome is known as ____

Options:-

- A. Dominant strategy
- B. Maxi max
- C. Mini max
- D. Maxi min

ANS: B

14. Match List I with List II :

List I	List II
Reverse repo rate	RBI provides loan to commercial banks for short term
Bank rate	RBI provides loan to commercial banks for long term
Repo rate	RBI borrows money from commercial banks
Cash reserve ratio	Commercial banks have to deposit minimum ratio of their net total liabilities in RBI

Choose the correct answer from the options given below :

Options:-

- A. (a)-(i), (b)-(iii), (c)-(ii), (d)-(iv)
- B. (a)-(iii), (b)-(ii), (c)-(i), (d)-(iv)
- C. (a)-(iii), (b)-(i), (c)-(ii), (d)-(iv)
- D. (a)-(i), (b)-(ii), (c)-(iii), (d)-(iv)

ANS: B

15. What are the primary goals of sustainability?

- a. The end of poverty and hunger
- b. Better standard of education and healthcare
- c. To achieve gender equality
- d. Sustainable economic growth
- e. To achieve both inter and intra generational equity

Choose the most appropriate answer from the options given below :

Options:-

- A. (a), (b), (c) and (e)
- B. (a), (c), (d) and (e)
- C. (a), (b), (c) and (d)
- D. (a), (b), (c), (d) and (e)

ANS: D

16. Match List I with List II:

List I	List II
a. Pure Public good	i. Non-rival but excludable



b. Pure Private good	ii. Non-excludable but rivalry
c. Open access resources	iii. Non-rival and non excludable
d. Congestible resource	iv. Excludable and rival

Choose the correct answer from the options given below :

Options:-

- A. (a)-(iii), (b)-(iv), (c)-(i), (d)-(ii)
- B. (a)-(iii), (b)-(iv), (c)-(ii), (d)-(i)
- C. (a)-(i), (b)-(ii), (c)-(iii), (d)-(iv)
- D. (a)-(iii), (b)-(ii), (c)-(i), (d)-(iv)

ANS: B

17. Here is given sex ratio for different states of India for 2011

- a. Gujarat: 942
- b. Madhya Pradesh : 931
- c. Odisha: 979
- d. Tamil Nadu : 996
- e. Haryana : 862

Choose the connect answer from the options given below :

Options:-

- A. (b), (c) and (d) only
- B. (a) and (b) only
- C. (c) and (d) only
- D. (c), (d) and (e) only

ANS: A

18. Which of the following conditions are satisfied for a rationale firm to achieve its equilibrium by maximising $Q = f(L, K)$ subject to $C = wL + rK$.

- a. $\frac{\partial Q}{\partial L} = \frac{w}{r}$
- b. $\frac{\partial^2 Q}{\partial L^2} > 0, \frac{\partial^2 Q}{\partial K^2} > 0$
- c. $\frac{\partial^2 Q}{\partial L^2} < 0$ and $\frac{\partial^2 Q}{\partial K^2} > 0$
- d. $\frac{\partial^2 Q}{\partial L^2} < 0$ and $\frac{\partial^2 Q}{\partial K^2} < 0$
- e. $\left(\frac{\partial^2 Q}{\partial L^2}\right)\left(\frac{\partial^2 Q}{\partial K^2}\right) > \left(\frac{\partial^2 Q}{\partial L \partial K}\right)^2$

Choose the connect answer from the options given below:

Options:-

- A. (a), (b) and (e) only
- B. (a), (d) and (e) only
- C. (a) and (e) only
- D. (a) and (b) only

ANS: B





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19. In the Mundell-Fleming model, under floating exchange rate, which policy is more effective to influence aggregate income?

Options:-

- A. Fiscal policy
- B. Monetary policy
- C. Exchange rate policy
- D. None of the above

ANS: B

20. Two factors of production, say A and B have the same price. The least cost combination of A and B for producing given level of output will be achieved at a point where the Iso-quant has slope equal to

Options:-

- A. 0
- B. 1
- C. -1
- D. 2

ANS: C

21. Find the rank of $A = \begin{vmatrix} 6 & 3 & 5 \\ -10 & 2 & 8 \\ 5 & 2 & 3 \end{vmatrix}$

Options:-

- A. 3
- B. 2
- C. 1
- D. 0

ANS: B

22. One of the various qualitative instruments used by the central bank during inflation is

Options:-

- A. Raise margin requirement
- B. Remove margin requirement
- C. Reduce margin requirement
- D. Fix margin requirement

ANS: A

23. Arrange the following Environmental disasters chronologically in accordance of their occurrence

- a. Bhopal Gas Tragedy
- b. Chernobyl explosion
- c. London smog episodes
- d. Exxon Valdez
- e. The Threemile Island Nuclear Disaster



Choose the correct answer from the options given below :

Options:-

- A. (a), (d), (e), (c), (b)
- B. (c), (e), (a), (b), (d)
- C. (a), (c), (d), (e), (b)
- D. (b), (c), (d), (a), (e)

ANS: B

24. Primary deficit is given by ____

Options:-

- A. Fiscal deficit — Interest payments
- B. Revenue deficit — Interest payment
- C. Budget deficit — Interest Payment
- D. Revenue Receipt – Revenue Expenditure

ANS: A

25. When MPC = 0.75, a decrease in taxes Rs.20 crore will increase GDP by

Options:-

- A. Rs. 200 crores
- B. Rs. 100 crores
- C. Rs. 600 crores
- D. Rs. 800 crores

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26. Which of the followings are assumptions of ordinal utility analysis?

- a. Consumers are consistent in their preferences
- b. Consumer can measure the total utility received from any given basket of goods
- c. Consumer preferences follow transitivity
- d. Consumers are non-satiated with respect to goods they confront
- e. Consumers are irrational

Choose the correct answer from the options given below :

Options:-

- A. (b), (c), (d) only
- B. (c), (d), (e) only
- C. (a), (c), (d) only
- D. (a), (b), (c) only

ANS: C

27. The fitted regression equation is given by $Y_i = -10 + 0.6X$. What is the value of the residual at the point $X = 40$, $Y = 60$.

Options:-

- A. 74



- B. 46
- C. 0
- D. 45

ANS: B

28. Which of the followings were the part of EDI policy reforms and other measures during the Covid-19 pandemic period?
- a. 100 per cent PHI in the health sector
 - b. Permitting foreign investment upto 100 percent under automatic route in Telecom services sector
 - c. "FDI monitoring cell" has been formed to expedite FDI proposals
 - d. Raised the FDI limit from 49 per cent to 74 per cent in insurance companies under the automatic route
 - e. Reduced the limit of FDI in the defence sector to realize the vision of Atmanirbhar Bharat
- Choose the correct answer from the options given below :

Options:-

- A. (d) and (e) only
- B. (b), (c) and (e) only
- C. (b), (c) and (d) only
- D. (a), (d) and (e) only

ANS: C

29. If we have objective function involving n variables : $U = f(X_1, X_2, X_3, \dots, X_n)$ subject to $\emptyset [X_1, X_2, X_3, \dots, X_n] = 0$. The second order condition for extremum to be
- a. For maximum $|\bar{H}_2| < 0, |\bar{H}_3| < 0 \dots$
 - b. For maximum $|\bar{H}_2| > 0, |\bar{H}_3| < 0 \dots$
 - c. For maximum $|\bar{H}_2| < 0, |\bar{H}_3| > 0 \dots$
 - d. For minimum $|\bar{H}_2| < 0, |\bar{H}_3| < 0 \dots$
 - e. For minimum $|\bar{H}_2| > 0, |\bar{H}_3| > 0 \dots$
- Choose the correct answer from the options given below :

Options:-

- A. (a) and (d) only
- B. (b) and (d) only
- C. (c) and (e) only
- D. (b) and (e) only

ANS: B

30. Arrange the following chronologically in order of their years of first occurrence:
- a. Environmental Kuznets Curve Hypothesis
 - b. Limits to growth theorem
 - c. Bouldings 'The Economics of Coming Spaceship Earth'
 - d. Jevon's Coal Question
 - e. Raechel Canson's Silent Spring
- Choose the correct answer from the options given below :

Options:-

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- A. (e), (a), (b), (d), (c)
- B. (a), (c), (d), (b), (e)
- C. (d), (a), (e), (c), (b)
- D. (e), (d), (c), (b), (a)

DROPPED

31. A simultaneous equation model is said to be over-identified if.

Options:-

- A. Unique numerical values of the structural parameters can be obtained
- B. More than one numerical values can be obtained for some of the parameters of the structural equations
- C. Unique solution of all the structural coefficient is not possible
- D. Structural coefficient cannot be estimated

ANS: B

32. What are the practical consequences of multicollinearity in CLRM?

- a. R^2 the overall measure of goodness of fit can be Very high
 - b. OLS estimators are not BLUE
 - c. OLS estimators have small variance and covariances
 - d. t ratio of one or more coefficients is statistically insignificant
 - e. The OLS estimators and their standard errors can be sensitive to small changes in the data
- Choose the correct answer from the options given below :

Options:-

- A. (a), (b) and (g) only
- B. (a), (b) and (d) only
- C. (a), (d) and (e) only
- D. (b), (c) and (e) only

ANS: C

33. In which, stage of the product cycle model, the imitating country starts producing the product for domestic consumption?

Options:-

- A. Stage – III
- B. Stage – II
- C. Stage – I
- D. Stage – V

ANS: A

34. Which of the followings conditions prevail in the long run equilibrium of industry for achieving optimal resource allocation

- a. The output is produced at the minimum feasible cost
- b. consumer pays the minimum possible price which just covers the marginal cost of the product
- c. Plants are used at full capacity in long run



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- d. Firms earn supernormal profits
 - e. Perfect competitive firms and price mechanism operates
- Choose the correct answer from the options given below :

Options:-

- A. (a), (b), (c) and (e) only
- B. (c), (d) and (e) only
- C. (b), (d) and (e) only
- D. (a), (b) and (e) only

ANS: A

35. Which of the followings are correct?

- a. $M_1 = C + DD + OD$
- b. $M_2 = M_1 + \text{saving deposits with post office saving banks}$
- c. $M_3 = M_2 + \text{net time deposits of banks}$
- d. $M_3 = M_1 + \text{net time deposits of banks}$
- e. $M_4 = M_1 + \text{total deposits with the post office savings}$

Choose the correct answer from the options given below :

Options:-

- A. (a), (b) and (c) only
- B. (a), (b) and (d) only
- C. (a), (c) and (d) only
- D. (b), (d) and (e) only

ANS: B

36. The hypothesis of cumulative causation as an explanation of the backwardness of developing nations is associated with

Options:-

- A. Ragnar Nurkse
- B. Gunnar Myrdal
- C. Arthus Lewis
- D. Fei and Ranis

ANS: B

37. Here is given weights of items under use based classification of industrial production index of India (Base 2011-12)

- a. Primary goods 34.05%
- b. Capital goods 12.22%
- c. Intermediate goods 17.22%
- d. Infrastructure / Construction goods 12.34%
- e. Consumer goods 24.17%

Choose the correct answer from the options given below :

Options:-

- A. (b), (c) and (d) only



- B. (a), (b) and (e) only
- C. (a), (c) and (d) only
- D. (b), (d) and (e) only

ANS: C

38. Which of the followings are correct?

- a. The market is a system that works with price mechanism
- b. Market failure refers to the divergence of market equilibrium from pareto optimality
- c. Market fails to efficiently supply public goods and the same makes a case for govt intervention
- d. Market efficiently works in the presence of positive externalities
- e. Market efficiently works in the presence of negative externalities

Choose the correct answer from the options given below :

Options:-

- A. (a), (b), (c) and (d) only
- B. (a), (b) and (c) only
- C. (c), (d) and (e) only
- D. (b) and (e) only

ANS: B

39. Pradhan Mantri Jan Dhan Yojana (PMJDY) has been a flagship programme of the Government of India

- a. Beneficiaries of This scheme are eligible for accident insurance cover of Rs. 1 lakh now
- b. PMJDY is helpful in inclusive development
- c. PMJDY beneficiaries should not be given other benefits like benefits under MUDRA scheme
- d. It is leading to women empowerment
- e. More than 45 crore people have benefitted so far under PMJDY

Choose the most appropriate answer from the options given below :

Options:-

- A. (a), (b) and (c) only
- B. (b), (c) and (d) only
- C. (b), (d) and (e) only
- D. (a), (d) and (e) only

ANS: C

40. If the income effect for a good is in the opposite direction as the substitution effect, but the substitution effect dominates then the good is

Options:-

- A. Normal
- B. Inferior but not giffen
- C. Giffen
- D. None of the above

ANS: B





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41. PM Gatishakti is driven by ____ engines.

Options:-

- A. Four
- B. Five
- C. Six
- D. Seven

ANS: D

42. What has been the reason for recent dip in vehicle registration in the country?

Options:-

- A. Shortage of semi-conductor chips
- B. Poor credit supply br the banking sector
- C. Sharp rise in vehicle prices
- D. Reduced demand for vehicles

ANS: A

43. The total revenue (R) and total cost (C) function of a firm are given by $R = 30Q - Q^2$. $C = 20 + 4Q$.
Where Q is output, find the equilibrium output of the firm

Options:-

- A. 4
- B. 13
- C. 15
- D. 10

ANS: B

44. Match List I with List II:

List I	List II
a. Money supply and price level in an economy are indirect proportion	i. A.W. Phillips
b. Inverse relationship between unemployment and rate of wage inflation	ii. Fisher
c. Profit as reward for innovation	iii. Robert Lucas
d. Policy ineffective proposition	iv. Joseph Schumpeter

Choose the correct answer from the options given below :

Options:-

- A. (a)-(ii), (b)-(i), (c)-(iv), (d)-(iii)
- B. (a)-(iii), (b)-(ii), (c)-(i), (d)-(iv)
- C. (a)-(ii), (b)-(iv), (c)-(iii), (d)-(i)
- D. (a)-(iv), (b)-(iii), (c)-(ii), (d)-(i)

ANS: A



45. Hari's score in the statistics in the first year is 76. whereas the class average is 68 with a standard deviation of 5. What is Hari's Z-score?

Options:-

- A. 1.5
- B. 1.6
- C. 1.2
- D. 1.4

ANS: B

46. Net migration refers to

Options:-

- A. Overall level of population change resulting from total migrants and emigrants
- B. Is the difference between the number of immigrant workers and the number of emigrant workers
- C. Does not include refugees and other lawful migrants
- D. Includes refugees only

ANS: A

47. Arrange the different schools of thought in a sequence of their occurrence starting from the oldest.

- a. Physiocrats
- b. Keynesian economics
- c. Classical economics
- d. New Keynesian economics
- e. Monetarist Counter revolution

Choose the correct answer from the options given below :

Options:-

- A. (a), (b), (c), (e), (d)
- B. (a), (c), (e), (b), (d)
- C. (a), (b), (e), (c), (d)
- D. (a), (c), (b), (e), (d)

ANS: D

48. Arrange the states in descending order based on percentage of population who are multidimensionally poor based on NITI Aayog Report 2021.

- a. Bihar
- b. Odisha
- c. Rajasthan
- d. Uttar Pradesh
- e. Madhya Pradesh

Choose the correct answer from the options given below :

Options:-

- A. (a), (d), (e), (c), (b)



- B. (a), (e), (c), (d), (b)
- C. (a), (c), (e), (b), (d)
- D. (a), (b), (c), (e), (d)

ANS: A

49. Which of the following are correct?

- a. Current account includes merchandise export
- b. Current account do not include merchandise export
- c. Current account includes invisible export
- d. Current account do not includes invisible export
- e. Current account includes both merchandise exports and imports and invisible exports and imports

Choose the correct answer from the options given below :

Options:-

- A. (a), (b) and (c) only
- B. (a), (c) and (e) only
- C. (a), (d) and (e) only
- D. (c), (d) and (e) only

ANS: B

50. The change in welfare due to change in environmental quality is measured by

Options:-

- A. Hedonic price function
- B. Marginal implicit function
- C. Marginal Willingness to Pay (WTP) function
- D. Offer function

ANS: C

51. Integrate : $\frac{x^2}{x+2}$

Options:-

- A. $\frac{4x}{(x+2)^2} + c$
- B. $\frac{x^2}{2} + 2x + 4\log(x+2) = c$
- C. $\frac{x^2}{2} - 2x + 4\log(x+2) = c$
- D. $\frac{x^2}{2} - 2x + c$

ANS: C

52. Arrange the countries based on descending order of Human Development Index Value in 2019.

- a. Norway
- b. Bangladesh
- c. India
- d. China
- e. Nepal



Choose the correct answer from the options given below :

Options:-

- A. (a), (d), (c), (b), (e)
- B. (d), (a), (b), (e), (c)
- C. (a), (d), (b), (c), (e)
- D. (a), (d), (b), (e), (c)

ANS: A

53. Arrange the following events in sequence (the oldest one being first)

- a. The Tokyo Round
- b. The Uruguay Round
- c. The Annecy Round
- d. The Dillon Round
- e. The Torquay Round

Choose the correct answer from the options given below :

Options:-

- A. (c), (e), (d), (b), (a)
- B. (e), (c), (a), (d), (b)
- C. (c), (e), (d), (a), (b)
- D. (e), (c), (d), (a), (b)

ANS: C

54. Write the steps to estimate the ECM/VAR model in time series.

- a. Unit root test
- b. ACF and PACF test
- c. ECM / VAR
- d. Inputting data
- e. Cointegration test

Choose the correct answer from the options given below :

Options:-

- A. (d), (a), (e), (b), (c)
- B. (d), (b), (a), (c), (e)
- C. (d), (b), (a), (e), (c)
- D. (b), (a), (d), (e), (c)

ANS: C

55. Which of the followings is not a marginal condition of pareto optimality criteria?

Options:-

- A. $MRS_{x,y}^A = MRS_{x,y}^B = \frac{P_x}{P_y}$
- B. $MRTS_{L,K}^x = MRTS_{L,K}^y = \frac{W}{r}$
- C. $MRS_{x,y}^A = MRS_{x,y}^B = MRPT_{x,y}$
- D. $MRPT_{x,y}^K = MRPT_{x,y}^L = \frac{W}{r}$



ANS: D

56. If the demand function is: $P = 35 - 2x - x^2$ and the demand X_0 is 3. What will be the consumer's surplus?

Options:-

- A. 27
- B. 25
- C. 60
- D. 20

ANS: A

57. Given below are two statements :

Statement I: Dualism refer to economic and social divisions in an economy, such as difference in the level of technology between sectors or regions, differences in the degree of geographic development and differences in social customs and attitudes.

Statement II: The developing countries in the early stage of development experience dualism, which have implications for future pattern and pace of development.

In the light of the above statements, choose the most correct answer from the options given below:

Options:-

- A. Both Statement I and Statement II are true
- B. Both Statement I and Statement II are false
- C. Statement I is true but Statement II is false
- D. Statement I is false but Statement II is true

ANS: A

58. Growth in total consumption in India in 2021 — 22 is likely to be

Options:-

- A. 5.0 Percent
- B. 6.0 Percent
- C. 7.0 Percent
- D. 8.0 Percent

ANS: C

59. Given below are two statements :

Statement I : If you bought a product which now becomes subject to tax you will be in a better position to avoid the tax and the seller bears with a larger part if your demand is elastic while seller's supply is inelastic.

Statement II: A tax on salt is likely to be borne by the consumer.

In the light of the above statements, choose the most appropriate answer from the options given below:

Options:-

- A. Both Statement I and Statement II are correct



- B. Both Statement I and Statement II are incorrect
- C. Statement I is correct hut Statement II is incorrect
- D. Statement I is incorrect but Statement II is correct

ANS: A

60. Which of the followings are correct in case of normal distribution?

- a. $Q_1 + Q_2 = 2Md$
- b. $Q.D = \frac{1}{3}\sigma$
- c. $Q.D = \frac{2}{3}\sigma$
- d. All moments of odd order about mean are zero
- e. $Q_1 + Q_2 = Md$

Choose the correct answer from the options given below ;

Options:-

- A. (b), (d) and (e) only
- B. (a), (b) and (d) only
- C. (a), (c) and (d) only
- D. (c), (d) and (e) only

ANS: C

61. Which of the following are correct with respect to IS-LM model?

- a. The LM schedule slopes upward to the right.
- b. The LM schedule will shift to the left with an increase in quantity of money
- c. The LM schedule gives equilibrium in the money market
- d. The IS schedule will shift to the left when there is an increase in government expenditure
- e. The IS schedule will shift to the right when taxes are reduced

Choose the most appropriate answer from the options given below :

Options:-

- A. (a), (c), (e) only
- B. (a), (b), (c), (d) only
- C. (a), (c) only
- D. (b), (d), (c), (e) only

ANS: A

62. Basic characteristics of an under developed economy

- a. A low level of technology and poor human capital
- b. Higher level of GDP and percapita income
- c. A high proportion of the labour force engaged in agriculture and low agriculture productivity
- d. A high proportion of domestic expenditure on food
- e. Higher incidence of poverty

Choose the most appropriate answer from the options given below :

Options:-

- A. (a), (c), (d), (e) only
- B. (a), (c), (b), (e) only



- C. (b), (d), (e) only
- D. (b) only

ANS: A

63. Match List I with List II :

List I	List II
a. Size matters in international trade	i. Paul Krugman
b. Economies of scale and monopolistic competition in international trade	ii. Mercantilists
c. Technological gap theory of trade	iii. M.V. Posner
d. Zero sum game of trade	iv. The gravity model

Choose the correct answer from the options given below :

Options:-

- A. (a)-(iv), (b)-(iii), (c)-(i), (d)-(ii)
- B. (a)-(iv), (b)-(i), (c)-(iii), (d)-(ii)
- C. (a)-(iii), (b)-(I), (c)-(iv), (d)-(ii)
- D. (a)-(iii), (b)-(iv), (c)-(i), (d)-(ii)

ANS: B

64. Tools of expansionary Fiscal policy include

- a. Raising Government expenditure
- b. Reducing Government expenditure
- c. Increasing tax rate
- d. Reducing tax rate
- e. Increasing money supply

Choose the correct answer from the options given below :

Options:-

- A. (a), (d) only
- B. (b), (c) only
- C. (a), (d), (e) only
- D. (b), (c), (e) only

ANS: A

65. A stationary population is that when population growth is

Options:-

- A. Increasing at an increasing rate
- B. Increasing at a decreasing rate
- C. Grows at zero rate
- D. 100%

ANS: C

66. Given below are two statements : One is labelled as Assertion A and the other is labelled as Reason R



Assertion A : The Endogenous growth theory examines production function that shows increasing returns.

Reason R : Increasing returns in Endogenous growth theory is due to specialization and investment in knowledge capital and learning by doing.

In the light of the above statements, choose the most appropriate answer from the options given below :

Options:-

- A. Both (A) and (R) are correct and (R) is the correct explanation of (A)
- B. Both (A) and (R) are correct but (R) is NOT the correct explanation of (A)
- C. (A) is correct but (R) is not correct (A)
- D. (A) is not correct but (R) is correct (A)

ANS: A

67. Which of the following is correct?

- a. The gross barter terms of trade uses quantity index for imports and exports
- b. Both gross barter terms of trade and net barter terms of trade make use of the price index for imports and exports
- c. The net barter terms of trade uses price index for imports and export
- d. Both gross barter terms of trade and net barter terms of trade make use of the quantity index for imports and exports
- e. The gross barter terms of trade uses price index but the net barter terms of trade uses quantity index for imports and exports

Choose the correct answer from the options given below :

Options:-

- A. (a) and (b) only
- B. (b) and (c) only
- C. (c) and (e) only
- D. (a) and (c) only

ANS: D

68. Which of the following hold good for Lewis model of development?

- a. Unlimited supply of labour
- b. Marginal productivity of labour in the subsistence sector is equal to or less than subsistence wage
- c. Dual economy with a modern sector and a subsistence sector
- d. Agricultural sector subject to increasing returns
- e. Model that explains the crucial role of capitalist surplus in the development process

Choose the more appropriate answer from the options given below :

Options:-

- A. (a), (b), (c), (e) only
- B. (a), (b), (d), (e) only
- C. (b), (c), (d), (e) only
- D. (a), (c), (d), (e) only

ANS: A





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69. In relation to considerations of demographic dividend there appears to be ' demographic dualism" exhibited by the Indian states. In this regard consider the following factors

- a. Total fertility rate
- b. Sex ratio
- c. Per capita income
- d. Urbanisation rate

Choose the correct answer from the options given below :

Options:-

- A. both (a) and (b)
- B. only (a)
- C. only (b) and (c)
- D. only (a), (b) and (d)

ANS: B

70. "Menu Cost" is a concept used in

Options:-

- A. Classical economics
- B. Neo-classical economics
- C. New-Keynesian economics
- D. Keynesian economics

ANS:C

71. Which of the following properties of matrix are correct?

- a. $(A')' = A$
- b. The rank of an $n \times n$ non-singular matrix A must be less than n
- c. $(AB)' = A' B'$
- d. $(A + B)^n = (A)^n + (B)^n$
- e. $(A')^{-1} = (A^{-1})'$

Choose the correct answer from the options given below :

Options:-

- A. (a), (b) and (c) only
- B. (a), (d) and (e) only
- C. (a), (c) and (d) only
- D. (c), (d) and (e) only

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72. Suppose a profit maximising monopolist is producing 800 units of output and is charging a price of Rs. 40 per unit. If the elasticity of demand for the product is -2, marginal cost of the last unit produced is ____

Options:-

- A. 10
- B. -400
- C. -2



D. 20

ANS: D

73. Match List I with List II

List I	List II
a. Absolute Income Hypothesis	i. Milton Friedman
b. Relative Income Hypothesis	ii. J M Keynes
c. Permanent Income Hypothesis	iii. James Dusenberry
d. Life Cycle Hypothesis	iv. Franco Modigliani

Choose the correct answer from the options given below :

Options

- A. (a)-(ii), (b)-(i), (c)-(iv), (d)-(iii)
- B. (a)-(ii), (b)-(iii), (c)-(ii), (d)-(iv)
- C. (a)-(iv), (b)-(iii), (c)-(ii), (d)-(i)
- D. (a)-(iii), (b)-(ii), (c)-(i), (d)-(iv)

ANS: B

74. Monetary policy instruments are

- a. Changes in public expenditure
- b. Changes in taxation
- c. Open market operations
- d. Bank reserve requirement
- e. Interest rate policy

Choose the most appropriate answer from the options given below :

Options:-

- A. (a), (b) only
- B. (a), (b), (c) only
- C. (c), (d), (e) only
- D. (b), (d), (e) only

ANS: C

75. Match List I with List II :

List I	List II
a. Andhra Pradesh PCI in 2020-21	i. Rs. 98418
b. Madhya Pradesh PCI in 2020-21	ii. Rs. 109730
c. Odisha PCI in 2020-21	iii. Rs. 121267
d. West Bengal PCI in 2020-21	iv. Rs. 170215

Choose the correct answer from the options given below :

Options:-

- A. (a)-(ii), (b)-(i), (c)-(iii), (d)-(iv)
- B. (a)-(iv), (b)-(i), (c)-(ii), (d)-(iii)
- C. (a)-(iv), (b)-(ii), (c)-(i), (d)-(iii)
- D. (a)-(iii), (b)-(i), (c)-(ii), (d)-(iv)



ANS: B

76. Match List I with List II:

List I	List II
a. FEMA	i. 1969
b. ME TP Act	ii. 2002
c. Competition Act	iii. 1973
d. FEEA	iv. 1999

Choose the correct answer from the options given below

Options:-

- A. (a)-(i), (b)-(ii), (c)-(iv), (d)-(iii)
- B. (a)-(iii), (b)-(i), (c)-(ii), (d)-(iv)
- C. (a)-(iv), (b)-(ii), (c)-(i), (d)-(iii)
- D. (a)-(iv), (b)-(i), (c)-(ii), (d)-(iii)

ANS: D

77. The Central bank policy of altering the domestic credit extended by it in an equal and opposite direction to the variation in foreign exchange reserves so that the monetary base remains unchanged is called

Options:-

- A. Stabilization
- B. Monetary expansion
- C. Fiscal expansion
- D. Sterilisation

ANS: D

78. What will be the aggregate Domestic Income NDP (FC) of the economy for 2022-23: if

GDP (Market Price) = 27654 Crores

Depreciation = 2847 crores

Indirect taxes less subsidies = 2160 crores

Options:-

- A. 24807
- B. 22647
- C. 26967
- D. 28467

ANS: B

79. What does the result of the first empirical test of the Heckscher-Ohlin model by Wassily Leontief find?

Options:-

- A. U S exports were less capital-intensive than U.S. imports
- B. U S exports were more capital-intensive than U.S. imports
- C. U S exports were more human capital-intensive than U.S. imports



D. All the above

ANS: A

80. Match List I with List II:

List I	List II
a. Testing of overall significance	i. Chi-square test
b. Testing the independence of attributes	ii. Jarque - Bera test
c. Testing the significance of regression coefficients	iii. F-test
d. Normality test	iv. t-test

Choose the correct answer from the options given below :

Options:-

- A. (a)-(i), (b)-(ii), (c)-(iii), (d)-(iv)
- B. (a)-(iii), (b)-(i), (c)-(iv), (d)-(ii)
- C. (a)-(iii), (b)-(iv), (c)-(iii), (d)-(ii)
- D. (a)-(i), (b)-(iii), (c)-(iv), (d)-(ii)

ANS: B

81. Criteria and weights assigned by the Fifteenth Finance Commission of India for Horizontal Devolution:

- a. Area
- b. Forest and Ecology
- c. Income Distance
- d. Tax and Fiscal efforts
- e. Demographic performance

Choose the correct answer from the options given below :

Options:-

- A. (d), (b), (e), (a), (c)
- B. (b), (d), (a), (e), (c)
- C. (e), (a), (d), (c), (b)
- D. (a), (d), (b), (c), (e)

ANS: A

82. The provision for social goods, or the process by which total resource use is divided between private and social goods and by which the mix of social goods is chosen is known as ____

Options:-

- A. Allocation function
- B. Distribution function
- C. Stabilization function
- D. Normalization function

ANS: A

83. The binomial distribution can be used under the following conditions

- a. n the number of trials is finite and independent



- b. n the number of trials is infinite and independent
 - c. Each trial results in two mutually exclusive and exhaustive outcomes, terms as success and failure
 - d. P the probability of success is constant for each trial
 - e. The probability of failure does not remain same for each trial
- Choose the correct answer from the options given below :

Options:-

- A. (a), (c) and (e) only
- B. (b), (c) and (d) only
- C. (a), (c) and (d) only
- D. (b), (c) and (e) only

ANS: C

84. Provide proper chronological order of different schemes launched in India
- a. Pradhan Mantri Jan Aushadhi Yojana
 - b. Pradhan Mantri Ujjwala Yojana
 - c. Atal Pension Yojana
 - d. PM Jan Dhan Yojana
 - e. Ayushman Bharat Yojana
- Choose the correct answer from the options given below :

Options:-

- A. (c), (b), (a), (d), (e)
- B. (c), (d), (b), (a), (e)
- C. (d), (a), (b), (c), (e)
- D. (d), (c), (a), (b), (e)

ANS: D

85. The "tequila effect" indicates :

Options:-

- A. The spread of the 1994-95 Mexican crisis to other countries in Latin America
- B. The spread of the 1997 crisis in Thailand to other countries in Asia
- C. The supreme crisis emerged in 2007 in the United State
- D. The domestic debt crisis occurred in Argentina in 1989

ANS: A

86. Below are some of the features of the Micro. Small and Medium enterprises (MSMEs) in India.
- a. Revised definition of the MSMEs was brought in July 2020
 - b. In this definition turnover limit varied between service and manufacturing enterprises
 - c. In the revised definition turnover limit for small enterprises was Rs.50 crore
 - d. In this revised definition, investment limit in plant and machinery or equipment for medium enterprises was Rs.50 crore
 - e. In the revised definition, investment limit for plant and machinery or equipment for medium enterprises was Rs.5 crore

Choose the correct answer from the options given below :





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- A. (a), (d) and (e) only
- B. (a), (c) and (d) only
- C. (d) and (e) only
- D. (a), (b) and (d) only

ANS: B

87. Which of the following modern Indian Economic thinker had not gone abroad for study or work?

Options:-

- A. Mahatma Gandhi
- B. Ram Manohar Lohia
- C. B R Ambedkar
- D. Deen Dayal Upadhyaya

ANS: D

88. Match List I with List II:

List I	List II
a. The greatest good for the greater number	i. Learner's index
b. Stability of general equilibrium	ii. Bentham's criterion
c. Degree of monopoly power	iii. Tatonnement
d. Third degree price-discrimination	iv. Pigou

Choose the correct answer from the options given below:

Options:-

- A. (a)-(iv), (b)-(iii), (c)-(i), (d)-(ii)
- B. (a)-(iv), (b)-(iii), (c)-(ii), (d)-(i)
- C. (a)-(i), (b)-(iii), (c)-(ii), (d)-(iv)
- D. (a)-(ii), (b)-(iii), (c)-(i), (d)-(iv)

ANS: D

89. In the context of the transaction demand for money, the square root rule was developed by

Options:-

- A. Kydland – Prescott
- B. Friedman – Schwartz
- C. Boumol – Tobin
- D. J M Keynes

ANS: C

90. Which of the following strategy is not correct in order to have expansionary impact of fiscal policy?

Options:-

- A. Public expenditure must be financed by borrowings
- B. Public expenditure must be financed through increased taxes only



- C. Compensatory spending for public investment
- D. Cut in taxes

ANS: B

Read the given passage and answer the questions:

Although globalisation is often accused of increasing world poverty, the fact is that poverty would probably be even more widespread without globalisation. What is true is that globalisation did not benefit all nations. What globalisation can be blamed for is not spreading the benefits of increased efficiency and openness that come with globalisation more evenly and equitably to all nations. The stock of Foreign Direct investments around the World states that in 2010. The inward stock of FDI of developing countries was 48 percent that of developed countries, while their stock of outward FDI was about 17 percent that of developed countries. The New International Economics of Scale (NIES) states that — more and more products manufactured by international corporations have parts and components made in many different nations. The reason is to minimise production costs. Foreign "sourcing" of inputs is often not a matter of choice to earn higher profit, but simply a requirement to remain competitive. The carry Trade is the strategy in which an investor borrows a low yielding currency and lends (invest in) a higher yielding currency. The risk is that if during the investment period, the higher yielding currency depreciates against the lower yielding currency by a higher percentage than the positive interest differentials, the investor will lose money.

91. Which of the following is true?

Options:-

- A. Because of globalisation poverty has increased in all the countries of the world
- B. Because of globalisation poverty has reduced in all the countries of the world
- C. Without globalisation world poverty would probably be even more widespread
- D. Without globalisation world poverty would probably be even less widespread

ANS: C

92. Which of the following is incorrect?

Options:-

- A. The inward stock of FDI to developing countries is less than that of developed countries
- B. The outward stock of FDI from developing countries is less than that of developed countries
- C. Both the inward stock of FDI to developing countries and outward stock of FDI from developing countries remained higher in developing countries than developed countries
- D. Both the inward stock of FDI to developing countries and outward stock of FDI from developing countries remained lower in developing countries than developed countries

ANS: C

93. Which of the following reflects the most correct sense of the New International Economics of Scale (NIES)

Options:-

- A. All the parts and components of a product is manufactured in the host country only



- B. When all the parts and components of the product manufactured in the host country, it minimize production costs in each of the producing country
- C. Cheaper inputs from different countries are required to remain competitive
- D. The NIES is more concern about profit rather than to remain competitive

ANS: C

94. During the investment period, if the higher yielding currency depreciates against the lower yielding currency by a higher percentage than the positive interest differential then which of the following will occur?

Options:-

- A. The investor will lose
- B. The investor will earn profit
- C. The profit of the investor will remain unaffected
- D. None of the above

ANS: A

95. What for globalisation has been blamed?

Options:-

- A. Globalisation has neither increased efficiency nor openness
- B. Globalisation has increased both efficiency & openness
- C. Globalisation has increased efficiency but not openness
- D. Globalisation has not spreaded the benefits of increased efficiency and openness equitably to all nations

ANS: D

Read the given passage and answer five questions on the basis of passage:

Since the second five year plan, the Government of India has been emphasizing on development of industry on promoting self reliance India. But at that time the priority was for import substitution and export-promotion. Though same phenomenon is still relevant the priority of Industrialisation has been changed. Industry helps not only for the self reliance and reducing dependance on Foreign Countries but it creates massive employment for a populated country like India. The Start-ups India Programme started in 2014 which hence for promoting new initiatives and infact industries in critical domains having strategic importance. The recognised start-ups has been increased from 726 in FY 2016-17 to 65.861 in FY2021-22. The Start-ups spread across 640 districts and created jobs more then 7 lakhs. These start-ups have been recently' developed in new domain and sectors of strategic importance including development of IT services, hardware technology, software enterprises, artificial intelligence, robotics and technology of banking & finance in across 56 sectors. As on Feb. 2022. the ministry of commerce and industry has allocated Rs. 2.791.29 crore to SIDBI which inturn committed Rs. 6.795 crore to S2 alternative investment funds (AIFs) while Rs. 8.785 crore have been invested by supported AIFs in 574 start-ups and Rs. 945 crore has been allocated under the scheme for a period of four years starting from 2021-22 to fund the start-ups for proof of concept, prototype, trails of products, entry of market and commercialization. However, it is important for sustaining these start-ups for long term development and for creation of employment. Continued investment in this sectors, export promotion and start-ups products, innovation in new sectors and creation of domestic demands for this products are important for long term development and attracting new start-ups.



96. Which of the following sectors have not developed recently in start-ups

Options:-

- A. IT services
- B. Robotics
- C. Artificial intelligence
- D. Space technology

ANS: D

97. How much amount has been allocated under the scheme of start-ups to find new start-ups for proof of concepts, prototype and trials of products, entry of market and commercialization?

Options:-

- A. Rs.279129 crore
- B. Rs.679500 crore
- C. Rs. 945 crore
- D. Rs. 12521 crore

ANS: C

98. Which of the following is true in case of start-ups in India :

Options:-

- A. The start-ups increased by 7.25% during 2016-17 and 2021-22
- B. The sectoral growth of start-ups is taken place by 56%
- C. The start-ups have developed in important sectors like agriculture, tourism and irrigation
- D. The recognized sector's have created jobs more than 7 lakhs

ANS: D

99. What is the prioritized objective of industrialization in terms of start-ups initiatives?

Options:-

- A. Self-reliance
- B. Employment opportunities
- C. Both self-reliance and employment opportunities
- D. Export reduction

ANS: C

100. Which of the following measures is required for sustaining start-ups?

Options:-

- A. Attracting FDI start-ups
- B. Tax holidays on start-ups
- C. Creation of domestic demands for start-ups
- D. Encouraging start-ups in defence sectors

ANS: C





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