

1. Which of the following is an important Popperian criterion for evaluating scientific theories?  
(A) Verifiability (B) Generality  
(C) Testability (D) Falsifiability
2. When the total cross effect between two goods  $Q_1$  and  $Q_2$  is negative, the goods are called :  
(A) Gross substitutes (B) Gross complements  
(C) Substitutes (D) Complements
3. Given the utility function  $U^* = x^{0.2}y^{0.3}$  where  $U^*$  is constant level of utility,  $x$  and  $y$  are two variable goods, the function is :  
(A) Convex from below (B) Neither convex nor concave  
(C) Concave from below (D) Either convex or concave
4. Which of the following types of demand function is derived on maximizing Stone-Geary utility function?  
(A) Variable elasticity of demand (B) Linear Expenditure Systems  
(C) Constant Elasticity of demand (D) Almost Ideal Demand Systems
5. Given the Average Revenue curve of a monopolist  $Q = 20 - 4P$ , which of the following is the price elasticity coefficient when unit price,  $P = 2$ ?  
(A) 8 (B) 0.67  
(C) -0.67 (D) -8
6. If  $P$  and  $D$  are the optimal values of primal and dual programming systems respectively, which of the following conditions is true?  
(A)  $P < D$  (B)  $D < P$   
(C)  $P = D$  (D)  $D \neq P$
7. Given the relationship between price,  $P$  and tax rate  $T$  by the equation,  $P = 8 + \frac{3}{7}T$ , what inference can be drawn on price when tax rate rises?  
(A) Price rise is equal to the amount of unit tax  
(B) Price rise is more than the amount of unit tax  
(C) Price rise is less than the amount of unit tax  
(D) Price rise is less than or equal to the amount of unit tax

8. Two person zero sum game is strictly :
- (A) Cooperative (B) Discrete  
(C) Continuous (D) Non-Cooperative
9. An input-output system of  $m \times m$  dimension containing one or more self sufficient groups of less than  $m$  industries is :
- (A) Open (B) Non-decomposable  
(C) Decomposable (D) Closed
10. Which of the following is not an axiom of Arrow's Impossibility theorem relating to social preferences?
- (A) Dictator ship  
(B) Responsiveness to individual preference  
(C) Non-dictator ship  
(D) Independence of irrelevant alternatives
11. Who is the author of "Rational Expectations and Econometric Practice"?
- (A) Milton Friedman (B) Robert Lucas  
(C) Robert Barro (D) J.M. Keynes
12. The name of the economist with whom relative income hypothesis is associated :
- (A) James Tobin (B) Edward Shapiro  
(C) James Dusenberry (D) Franco Modigliani
13. Whose name is associated with Real Balance Effect?
- (A) A.C. Pigou (B) Alfred Marshall  
(C) Irving Fisher (D) Don Patinkin
14. Everyone percentage point increase in unemployment results in a 2.5% reduction in real GDP below the natural output. This relationship between unemployment and output is known as :
- (A) Say's law  
(B) Okun's law  
(C) The natural rate of unemployment hypothesis  
(D) Phillips curve.
15. An important determinant of autonomous investment is :
- (A) MPC (B) Income  
(C) Aggregate demand (D) MEC

16. The open economy IS curve is downward sloping but is steeper than in the case of a closed economy is due to :
- (A) Additional leakage of imports (B) Wage rigidity  
(C) Increase in the size of multiplier (D) None of these
17. The presence of both high inflation and high unemployment is known as :
- (A) deflation (B) bottleneck inflation  
(C) disinflation (D) stagflation
18. Which of the following financial assets is not included in the  $M_3$  definition of money?
- (A) Total deposits of post offices (B) Currency  
(C) Demand deposits (D) Net time deposits of banks
19. The ratio of money supply to high powered money is :
- (A) SLR (B) CRR  
(C) Money multiplier (D) Bank rate
20. Which of the following is an example of qualitative credit control measure?
- (A) Variable reserve ratio  
(B) Regulation of margin requirements  
(C) Repos  
(D) Open market operations
21. Econometrics is the science which deals with :
- (A) Application of Statistical methods in Economics  
(B) Estimation of Correlation between Economic variables  
(C) Formulation of Economic framework for Planning  
(D) None of these
22. Which of the following is an example for Dummy Variable in Economic Model Building?
- (A) Gender of a person (B) Educational Status  
(C) Communication ability (D) All the above
23. In the case of Demand Forecasting, which of the following technique is most widely used?
- (A) Regression Analysis (B) Trend fitting  
(C) Analysis of Variance (D) Stratified Sampling
24. Interpretation of the results of data analysis in an Economic model is useful for :
- (A) Estimation of Variables (B) Statement of hypothesis  
(C) Arriving at conclusions (D) Formation of Objectives

25. Stochastic Variable is used in an Econometric Model for including :
- (A) Error factor in the Model (B) Skewness of Observations  
(C) Positive Correlation of Variable (D) Negative Correlation of Variables
26. If  $A$  and  $B$  are two economic characteristics in a set of observations then the probability of occurrence of both events simultaneously can be calculated by :
- (A)  $P(A)+P(B)$  (B)  $P(A)-P(B)$   
(C)  $P(A \cup B)$  (D)  $P(A \cap B)$
27. Among 20 teachers in a college five have Ph.D degree. Then what is the probability of getting three Ph.D holders while selecting a committee of 3 members at random :
- (A)  $1/64$  (B)  $1/114$   
(C)  $1/125$  (D) None of these
28. Two stage Sampling is more efficient than the Single stage if the correlation between the unit in the first stage is :
- (A) Positive (B) Negative  
(C) Zero (D) None of these
29. An Estimator is considered to be the best if its distribution is :
- (A) Continuous (B) Discrete  
(C) Normal (D) Exponential
30. Multiple Correlation is a measure of :
- (A) Negative relation (B) Non- Linear Association  
(C) Vertical relation (D) Linear Association
31. According to W.W. Rostow, the first stage of development is :
- (A) take-off (B) industrial society  
(C) pre-conditions for take-off (D) traditional society
32. The Harrod-Domar model stated that the growth rate of the economy is determined jointly by the savings rate and :
- (A) labour force growth (B) capital - output ratio  
(C) wage rate (D) profit rate
33. 'Asian Drama' was written by the economist :
- (A) Amartya Sen (B) Gunnar Myrdal  
(C) Kofi Annan (D) Abhijit Banerjee

34. A well-known example of structural-change theory is the :
- (A) Lewis model (B) Solow model  
(C) Kaldor model (D) Robinson model
35. Endogenous growth theory suggests a more active role for :
- (A) market (B) public policy  
(C) international trade (D) common man
36. In which of India's Five year Plans was the Mahalanobis planning strategy first adopted?
- (A) Second (B) First  
(C) Third (D) Fourth
37. Investing in this sector would come under the human capital approach :
- (A) agriculture (B) industry  
(C) ecology (D) health
38. The 'missing women' concept is attributed to the economist :
- (A) Ahluwalia (B) Kaldor  
(C) Becker (D) Amartya Sen
39. Loss of tree cover is known as :
- (A) afforestation (B) soil erosion  
(C) deforestation (D) degradation
40. The 'Earth Summit' was held in Rio-de-Janeiro in the year :
- (A) 1997 (B) 1990  
(C) 1992 (D) 1995
41. Unemployment in India is basically :
- (A) Structural in nature (B) Cyclical in nature  
(C) Both cyclical and structural (D) None of the above
42. The new economic reforms is associated with :
- (A) Rajeev Gandhi (B) V.P. Singh  
(C) P.V. Narasimha Rao (D) A.B. Vajpayi
43. Devaluation means :
- (A) To reduce the value of home currency in terms of other currency  
(B) To appreciate the value of home currency  
(C) To issue new currency in place of old currency  
(D) None of the above

44. The chairman of the 13<sup>th</sup> Finance commission of India is :
- (A) Rangarajan (B) Y.V. Reddy  
(C) Vijaikelkar (D) K.C. Pant
45. Census of India 2011 indicates that female literacy is lowest in :
- (A) Bihar (B) Rajasthan  
(C) Arunachal Pradesh (D) Jharkand
46. The Gross Fiscal Deficit as a percentage of GDP in India for the year 2012-13 is :
- (A) 6.5 (B) 4.8  
(C) 5.7 (D) 5.1
47. The hypothesis on Kerala model refers to its :
- (A) Social development (B) Public policies  
(C) Peculiar development experience (D) Employment policy
48. In which industrial policy, new classification of industries was introduced :
- (A) Industrial policy of 1948 (B) Industrial policy of 1956  
(C) Industrial policy of 1977 (D) Industrial policy of 1980
49. For calculating effective literacy rate, we have to take into account population belonging to :
- (A) Age 7 and above (B) Age 5 and above  
(C) Age 10 and above (D) Age 15 and above
50. The growth rate of GDP at factor cost in India (2004-05 prices) for the year 2012-13 is :
- (A) 8.6 (B) 9.3  
(C) 6.2 (D) 5
51. A technological innovation in the form of a new good in one country leads to \_\_\_\_\_ gap and \_\_\_\_\_ gap in other country.
- (A) technological and imitation (B) demand and imitation  
(C) imitation and demand (D) technological and demand
52. Who first used game theory to examine strategic trade and industrial policy in 1985?
- (A) Sydney Alexander (B) James Brander  
(C) Barbera Spencer (D) Both (B) and (C)
53. The formula for measuring the rate of optimum tariff was derived by :
- (A) Marshall (B) Kindleberger  
(C) Jacob Viner (D) Raymind Vernor

54. Which of the following theories is a special case of the theory of Second Best?  
 (A) Free Trade Area (B) Customs Union  
 (C) Common Market (D) European Union
55. In which year was Contingency Credit Line introduced by IMF?  
 (A) 1996 (B) 1997  
 (C) 1998 (D) 1999
56. Who found that BoP disequilibria were settled mostly by international capital flows rather than through Gold Shipments?  
 (A) Taussig (B) Tinbergen  
 (C) Swan (D) Mundell
57. As per CRISIL rating symbols, 'B' is the rate given to those capital market securities whose risk can be rated as :  
 (A) High risk (B) Substantial risk  
 (C) No risk (D) None of the above
58. The oldest and most accepted argument for protection which was formulated in 1790 :  
 (A) Diversification argument (B) Anti-dumping argument  
 (C) Terms of trade argument (D) Infant industry argument
59. Which of the following is not among the theories of Optimum currency area?  
 (A) Mundell's factor mobility theory  
 (B) Kravis' theory of availability  
 (C) Kenen's product diversification theory  
 (D) Wood's cost-benefit theory
60. When the speculators feel that the domestic interest rates will increase in future, they will be keenly interested to invest in :  
 (A) Short term securities (B) Medium term securities  
 (C) Long term securities (D) Both (A) and (C)
61. Linear Programming Problem [LPP] was developed by :  
 (A) Gauss Markov (B) George Dantzig  
 (C) Wassily Leontief (D) Bruce Greenwald
62. Engel aggregation condition implies that the sum of income elasticities of two goods  $x$  and  $y$  is :  
 (A) negative (B) positive  
 (C) zero (D) one