

U.G./P.G. ENTRANCE EXAMINATION, APRIL 2021

ECONOMICS

Time : Two Hours

Maximum : 100 Marks

Part A

Choose the correct answer.
Each question carries 2 marks.

1. What is the range of regression co-efficient ?
 - A) 1 to 0.
 - B) 0 to infinity.
 - C) -1 to +1.
 - D) 1 to infinity.
2. The current bank rates as per RBI Monetary Policy is :
 - A) 4%.
 - B) 4.25%.
 - C) 3%.
 - D) 5%.
3. "General Theory" is written by whom among the following economist ?
 - A) Keynes.
 - B) Adam Smith.
 - C) Hicks.
 - D) Marshall.
4. Fiscal deficit means :
 - A) Fiscal deficit is equal to borrowings of the government.
 - B) Total expenditure - total revenue excluding borrowing.
 - C) Total expenditure - (Revenue receipt + Non debt creating capital receipts).
 - D) All of the above.
5. Data that is collected at different points in time is called :
 - A) Cross sectional data.
 - B) Time series data.
 - C) Qualitative data.
 - D) Quantitative data.
6. Which among the following is not a characteristic of imperfect competition ?
 - A) Perfect knowledge.
 - B) Free transport.
 - C) Free entry of firms.
 - D) None of these.
7. Engel curve denotes :
 - A) How household expenditure on a particular good or service varies with household income.
 - B) How household expenditure on a particular good or service varies with different prices.
 - C) The quantity of a good purchased when the price of its substitutes tend to rise.
 - D) The relationship between income effect and substitution effect.

Turn over

8. Which of the following is true with respect to the monetary approach to the balance of payments ?
- A) A balance of payments deficit results from an excess supply of money in the nation.
 - B) A balance of payments surplus results from an excess demand for money.
 - C) Balance of payments disequilibrium are automatically corrected in the long-run.
 - D) All of the above.
9. For a MPC of 0.8, what will be the value of multiplier :
- A) 5.
 - B) 8.
 - C) 10.
 - D) 2.
10. When income elasticity of demand is greater than unity, then the commodity is :
- A) Necessary.
 - B) Luxury.
 - C) Inferior good.
 - D) Not related.
11. Who invented the diamond water paradox ?
- A) Adam Smith.
 - B) Veblen.
 - C) Keynes.
 - D) Marshall.
12. In India, the type of direct tax followed is :
- A) Regressive.
 - B) Proportional.
 - C) Progressive.
 - D) Degressive.
13. Full form of IRDAI :
- A) Institute of Regulatory and Development Authority.
 - B) Insurance Regulatory and Development Institution.
 - C) Insurance Regulatory and India Development Authority.
 - D) Insurance Regulatory and Development Authority of India.
14. Which of the following statement would describe the term "Public Finance" ?
- A) It is a study of the direct and indirect taxes in an economy.
 - B) It is a study of the finances of the general public and their pattern of spending.
 - C) It is a study of the public sector banking system in a country.
 - D) It is a study of economic efficiency, distribution of resources and government policies and its effects.
15. In which year Sustainable Development Goals introduced ?
- A) 2000.
 - B) 2010.
 - C) 2015.
 - D) 2005.

16. Which laid foundation of the branch macroeconomics ?
- A) The General Theory. B) Nature and Causes of Wealth Nations.
C) The Economics. D) None of these.
17. A statement showing all of a nation's transactions with the rest of the world for a given period :
- A) Balance of trade. B) Balance of payment.
C) Balance of transactions. D) Balance sheet.
18. The predominant school of economic thought prior to the appearance of Keynes' work
- A) Keynesian. B) Political economy.
C) Neo classical. D) Classical.
19. Real GDP is a measure of a country's _____.
- A) Wealth. B) Money.
C) Economic transactions. D) Physical output.
20. Which of the following is the money flow that corresponds to the real flow of resources ?
- A) Consumption of goods. B) Income.
C) Factors of production. D) Goods and services.
21. A class consists of 8 boys and 5 girls. The average marks obtained by the boys and girls are 30 and 40 respectively. Find the class average :
- A) 30. B) 33.85.
C) 33. D) None of these.
22. Which one among the following is the correct relationship ?
- A) Mode = 2 Arithmetic Mean-3 Median.
B) Mode = 3 Arithmetic Mean-2 Median.
C) Mode = 2 Arithmetic Mean-3 Median.
D) Mode = 3 Median-2 Arithmetic mean.
23. A schedule is generally filled out by the :
- A) Respondent. B) Head of the household.
C) Investigator. D) None of these.
24. Lorenz curve is used to measure :
- A) Health status. B) Poverty.
C) Income inequality. D) Percapita income.

Turn over

