ECONOMICS - 2008

1.   Micro-economics is also called :

(A)   Demand theory

(B)   Income theory

(C)   Theory of distribution

(D)   Price theory

2.   We may define economics as a study of the problems arising from:

(A)   The distribution of very scarce goods

(B)   Production, distribution and exchange

(C)   Production and pricing of durable commodities

(D)   Exchange of services of money

3.   Which one of the following will directly increase the GNP ?

(A)   An increase in investment

(B)   A surplus in budget

(C)   A fall in national debt

(D)   A rise in interest rate

4.   Which one of the following represents, at least in part, investment in human capital ?,

(A)   Formal education

(B)   On the job training

(C)   Better health care

(D)   All of the above

5.   Which one of the following would not be considered a near-money?

(A)   Time deposits

(B)   Saving and loan shares

(C)   Treasury bills

(D)   Demand deposits

6.   The supply of money is

(A)   A stock concept

(B)   A flow concept

(C)   Both stock and flow concept

(D)   Neither stock nor flow concept

7.   Lorenz curve is a graphic method of studying

(A)   Correlation

(B)   Index numbers

(C)   Dispersion

(D)   Averages

8.   The maximum number of people in India work in the:

(A)   Primary sector

(B)   Secondary sector;

(C)   Tertiary sector

(D)   None of the above

9.   In Cobb-Douglas production function the relative share of factors remains:

(A)   Diminishing

(B)   Increasing

(C)   Constant

(D)   None of the above

10.   Automobile industry is an example of :

(A)   Perfectly competitive model

(B)   Imperfectly comparative model

(C)   Monopoly model

(D)   Oligopoly model

11.   National Income is less than NP by the amount of :

(A)   Transfer payments

(B)   Capital consumption allowance

(C)   Indirect business taxes

CD)   Personal taxes

12.   In Keynes's General Theory, consumption is a function of:

(A)   Nominal money balances

(B)   Current income minus taxes

(C)   Permanent income

(D)   Real balances

 13.   The real rate of interest is:

A)   The money rate of interest

(B)   The nominal rate adjusted to the changes in the general price level

(C)   The price paid solely for the services of money

(D)   The total payment made as interest to the creditor

14. Development is impossible without:

(A)   Incentive to profit

(B)   Foreign aid

(C)   Domestic savings

(D)   Inflation

15.   During a period of prosperity, credit creation is :

(A)   Small

(B)   Heavy

(C)   Unchanged

(D)   None of the above

16.   The Central Bank of the country:

(A)   can influence deposit creation only now and then

(B)   can influence deposit creation

(C)   cannot influence deposit creation

(D)   none of the above

17.   Which analysis helps us to determine the degree of relationship between variables?

(A)   Dispersion

(B)   Index numbers

(C)   Correlation

(D)   Averages

18.   Which one of the following countries is the largest partner in India's foreign trade?

(A)   U.S.A.

(B)   Russia

(C)   Japan

(D)   OPEC countries

19.   Demand can be defined as:

(A)   Desire to buy

(B)   Willingness to buy

(C)   Ability to buy

(D)   Desire and willingness to buy backed by adequate purchasing power

20.   The demand curve shows that price and quantity demanded are :

(A)   Directly related

(B)   Directly proportional and also directly related

(C)   Inversely proportional and inversely related

(D)   None of the above

21.   The critical minimum effort' theory is due to:

A)   H.Leibenstein

B)   Rosenstein-Rodan

C)   W A Lewis

D)   J H Boeke

22.   Which of the following is/are the part(s) of Public Finance?

(A)   Public   expenditure

(B)   Public   revenue

(C)   Public debt

(D)   All of the above

23.   The coefficient of correlation is independent of :

(A)   Change of scale only

(B)   Change of origin only'

(C)   Both change of scale and origin

(D) None of the above

24.   Among the major agro-based industries in India, sugar industry ranks

(A)   First

(B)   Second

(C)   Third

(D)   Fourth

25.   Indifference curves are associated with:

(A)   Edgeworth

(B)   Fisher

(C)   Pareto

(D)   Hicks

26.   Marginal product of a factor (L) is:

A) $MPL=\Delta X/\Delta L$

B) $\Delta K/\Delta L$

C) $MPL=\Delta K/\Delta X$

D)   None of the above

27.   According to Keynes' consumption is a function of :

(A)   Saving

(B)   Investment

(C)   Income

(D)   None of the   above

28.   The developing countries have been pleading for more :

(A)   Aid only

(B)   Trade only

(C)   Trade and aid

(D)   None of the above

29.   The income of the government through all its sources is called

(A)   Public   expenditure

(B)   Public   revenue

(C)   Public   finance

(D)   None of the above

30.   Which one of the following is a positional average ?

A   Arithmetic mean

B   Median

C   Harmonic mean

(D   Geometric mean

31.   India remained an underdeveloped country for many years due to

(A)   Political reasons

(B)   Social reasons

(C)   Economic reasons

 (D)   All of the above

32.   Ratio of total savings to total income is

(A)   Average propensity to save

(B)   Average propensity to consume

(C)   Marginal propensity to consume

(D)   Marginal propensity to save

33.   Incremental Capital-Output Ratio (ICOR) IS defined as the ratio of the increment in :

(A)   Capital /Output

(B)   Output /Capital

(C)   Income/Consumption

(D)   Saving /Consumption

34.   Which one of the following is likely to help in remedying on adverse balance of payments ?

(A)   Revaluation of currency

(B)   Devaluation of currency

(C)   Reduction in tariffs

(D)   Budgetary deficits

35.   How many types of correlation exist?

(A)   Two

(B)   Four

(C)   Three

(D)   Five

36.   The Green Revolution has made the greatest impact on the production of:

. (A)   Whea t and rice

(B)   Pulses and coarse grains

(C)   Oil- seeds and cotton

(D)   Jute and tobacco

37.   The difference between the value of the smallest item and the value of the largest item included in the distribution is called :

(A)   Mean

(B)   Median

(C)   Mode

(D)   Range

38.   Which one of the following is the defects in agrarian structure of India ?

(A)   Tenants have little incentive

(B)   Tenants cannot afford to provide capital investment

(C)   Tenants get no benefit by working with better equipment

(D)   All of the above

39.   A country's rate of growth is .determined by :

A)   The average propensity to save

(B)   The law of comparative costs

(C)   The interaction of supply and demand'

(D)'   The rate of capital accumulation

40.   The 'terms of trade' means :

(A)   . An excess of imports over exports

(B)   Trade agreements

(C)   The relationship between export prices and import prices

(D)   The terms and conditions on which a country participates in foreign trade

41.   Why is bank rate sometimes called as Penal Rates ?

A)   It will be higher than the market rate It is used to restriction only

B)   It is used to restriction only

C)   It will be equal to market rate of discount

D)   All of the above

42.   The coefficient of correlation:

(A)   Cannot be positive

(B)   Cannot be negative

(C)   IS always positive

(D)   Can be either positive or negative

43.   Where does India rank in the world with regard to the size of its population ?

(A)   First place

(B)   Second place

C)   Third place

(D)   Fifth place

44. The mean weight of a student in a group of six students is 119 kgs. The individual weights of five of them are 115, 109, 129, 117 arid 114 kgs. What is the weight of the sixth student

(A)   120 kg

B)   125 kg

(C)   130 kg

(D)   132 kg

45.   From which of the following countries did we earn the highest amount of foreign exchange ?

(A)   Japan

B)   Soviet Union (Russia)

C)   U.S.A.

D)   France

46.   Progress of land reforms has been tardy because of :

(A)   Poor implementation

(B)   Lack of political will

(C)   Loopholes in legislation

(D)   All of the above

47.   A country can meet its deficiency of capital through:

(A)   Internal savings

(B)   Foreign capital

{C)   Diversion of savings to productive uses

(D)   All of the above

48.   The balance of payments

(A)   Is also affected by capital movements

(B)   Is never affected by capital movements

(C)   Nothing can be said in this regard

(D)   The balance is not concerned with the capital movements

49.   Money measure M_3 is

(A)   Wider than M_1

(B)   More liquid than M_1

(C)   Narrower than M_1

(D)   None of the above

50.   Fisher's Ideal Index is :

A)   The median of Laspeyre's and Paasche's index

(B)   Arithmetic mean of Laspeyre's and Paasche's index

C)   Geometric mean of Laspeyre's and Paasche's index

(D)   None of the above

51.   The one rupee currency notes bears the signature of :

A)   Governor, Reserve Bank of India

B)   The Minister of Finance

C)   Chairman, State Bank of India

(D)   None of the above

52)   Which of the following is the least liquid asset ?

(A)   Machines

(B)   Money

(C)   Shares

(D)   Bonds'

53.   The formula for standard deviation in step deviation method is

(A) $\sigma = \sqrt{\sum d^2/N}$

(B) $\sigma = \sqrt{\sum fd^2/N - (\sum fd)^2/N}$

C) $\sigma = \sqrt{\sum d^2/N - (\sum d)^2/N}$

D)   None of the above

54 With economic growth the share of the agricultural sector in labour force:

(A)   Declines

(B)   Increases

(C)   Remains unchanged

(D)   Is uncertain and unpredictable

55.   Out of the given possibilities below, the most favourable capital-output ratio for a country

(A)   6: 1

(B)   5 :1

(C)   4 :1

(D)   3:1

56.   Heckscher-Ohlin theorem is based on t e

(A)   Factor endowments

(B)   Political structure

(C)   Labour productivity

(D)   None of the above

57.   Credit is a :

(A)   Stock concept

(B)   Flow concept

(C)   A stock-flow concept

(D)   Neither stock nor flow concepts

58.   In India 14 major commercial banks were nationalized in:

(A)   July, 1969

(B)   August, 1970

(C)   July, 1967

(D)   August, 1972

59.   Range is the measure of :

(A)   An average

(B)   Dispersion

(C)   Correlation