

Economics - 2010

M.A. Economics

1. Law of diminishing returns to factors is applicable during :
(a) Short run (b) Long run
(c) Market period (d) None of the above
2. Input-Output iso-quant is also known as :
(a) Leontiff iso-quant (b) Kinked iso-quant
(c) Engineering iso-quant (d) Convex iso-quant
3. Prime lending rates are decided by :
(a) Central bank (b) Commercial banks
(c) Companies (d) Depositors
4. Inter-bank lending and borrowing takes place in :
(a) Capital market (b) Money market
(c) Debt market (d) Call money market
5. If the frequency curve has a longer tail to the right, skewness will be :
(a) positive (b) negative
(c) zero (d) indeterminate
6. For which agricultural commodity, procurement in India is open-ended ?
(a) maize (b) oilseeds
(c) rice (d) pulses
7. Since economic reforms, terms of trade have been _____ for agriculture :
(a) favourable (b) unfavourable
(c) stagnant (d) fluctuating
8. For which group of consumers, minimum issue price is less than the market price :
(a) APL consumers (b) BPL consumers
(c) Both (a) and (b) (d) None of the above
9. Inequality of income is high if there is overdependence on :
(a) Land (b) Capital
(c) Human skills (d) Technology

10. Rate of growth of population in less developed countries is high because of :
- (a) high birth rate and high death rate
 - (b) high birth rate and low death rate
 - (c) low birth rate and low death rate
 - (d) migration from developed countries
11. Transfer payments from the government are received by :
- (a) households
 - (b) firms
 - (c) rest of the world
 - (d) all of the above
12. In case of Cobb-Douglas production function, elasticity of substitution is always equal to :
- (a) 0
 - (b) 1
 - (c) 2
 - (d) ∞
13. What is the value of price elasticity of demand if the demand curve is horizontal ?
- (a) 0
 - (b) -1
 - (c) 1
 - (d) ∞
14. What distinguishes Harrod's model from Solow's model of economic growth ?
- (a) returns to scale
 - (b) returns to variable factors
 - (c) propensity to save
 - (d) degree of substitution between labour and capital
15. The maximum value of HDI is :
- (a) 0
 - (b) 1
 - (c) -1
 - (d) ∞
16. Which State did not benefit from green revolution ?
- (a) Punjab
 - (b) Haryana
 - (c) Rajasthan
 - (d) Western U.P.
17. Capital stock of a nation increases if there is an increase in :
- (a) gross investment
 - (b) net investment
 - (c) depreciation
 - (d) consumption

18. Which of the following is not a property of mean deviation ?
- (a) it is easy to calculate
 - (b) it is based on each and every item
 - (c) it is capable of further algebraic treatment
 - (d) it is rigidly defined
19. When paper money is demonetized, its intrinsic value becomes :
- (a) high
 - (b) low
 - (c) zero
 - (d) indeterminate
20. If the face value of money equals its intrinsic value, the money is called :
- (a) commodity money
 - (b) representative money
 - (c) credit money
 - (d) electronic money
21. Geometric average gives more weightage to :
- (a) small items
 - (b) large items
 - (c) same weightage to both small and large items
 - (d) none of the above
22. Which of the following is a property of harmonic mean ?
- (a) it is difficult to understand
 - (b) it is difficult to calculate
 - (c) both (a) and (b)
 - (d) neither (a) nor (b)
23. India witnessed deceleration in industrial growth during the period :
- (a) 1951-56
 - (b) 1966-80
 - (c) 1980-91
 - (d) 1992-2000
24. Which Committee advocated the concept of joint sector in India ?
- (a) Abid Hussian
 - (b) Hazari
 - (c) Khusro
 - (d) Dutt
25. Which of the following items is included in the GNP of a country ?
- (a) services of housewives
 - (b) services of smugglers
 - (c) services of sadhus
 - (d) services of sweepers

26. Per capita income of a country increases when :
- GNP increases slower than population
 - GNP increases at the same rate as population
 - GNP increases faster than population
 - None of the above
27. Given that ICOR = incremental capital output ratio and DY = change in income, how much amount of investment is needed to increase the income by a given percentage?
- $ICOR \times DY$
 - $ICOR/DY$
 - $ICOR - DY$
 - $ICOR + DY$
28. Output/labour is popularly known as :
- marginal product of labour
 - total product of labour
 - average product of labour
 - both (b) and (c)
29. Balanced growth strategy involves indivisibilities of :
- demand
 - supply
 - both (a) and (b)
 - neither (a) nor (b)
30. Surplus in the balance of payments can be corrected through :
- export promotion
 - exchange control
 - increase in interest rate
 - appreciation of currency
31. Which of the following is a positional average ?
- arithmetic mean
 - median
 - geometric mean
 - harmonic mean
32. The value dividing the series into 10 equal parts, is known as
- quartiles
 - percentiles
 - deciles
 - mode
33. To maximize profits, a monopolist can set :
- price
 - output
 - both (a) and (b)
 - either (a) or (b)
34. A temporary tax for covering additional expenditure during emergency times, is known as :
- surcharge
 - customs duty
 - sales tax
 - cess

35. For a monopolist, demand curve is the same as :
- (a) M R curve (b) A R curve
(c) M C curve (d) T C curve
36. Selling costs are incurred in case of :
- (a) perfect competition (b) monopolistic competition
(c) imperfect competition (d) all of the above
37. Presently about _____ of cropped area in India still depends on monsoons
- (a) 40% (b) 50%
(c) 60% (d) 70%
38. Chronic unemployment in India is measured by :
- (a) usual status (b) daily status
(c) weekly status (d) all of the above
39. If we take geometric mean of two regression coefficient, we get :
- (a) arithmetic mean (b) dispersion
(c) skewness (d) correlation
40. Lack of symmetry in data is known as :
- (a) moments (b) skewness
(c) kurtosis (d) dispersion
41. According to Keynes, consumption function is :
- (a) proportional (b) non-proportional
(c) parabolic (d) hyperbolic
42. Given that MEC = marginal efficiency of capital, AEC = average efficiency of capital and r = market rate of interest, it pays to employ one more unit of capital if :
- (a) $MEC < r$ (b) $AEC < r$
(c) $MEC > r$ (d) none of the above
43. Cash balance version of quantity theory is based on the assumption that money serves as
- (a) medium of exchange (b) store of value
(c) unit of account (d) none of the above

44. Keynes integrated real sector with the monetary sector through :
- (a) consumption (b) saving
(c) interest rate (d) all of the above
45. If a country enters international trade, the income of abundant factor will :
- (a) increase (b) decrease
(c) remain constant (d) can not say with certainty
46. Most favoured nation clause was introduced by :
- (a) WTO (b) GATT
(c) IMF (d) World Bank
47. Which of the following is the main problem of India ?
- (a) Low rate of investment (b) Low rate of savings
(c) Low growth rate of population (d) Low output-capital ratio
48. Who coined the concept of Hindu rate of growth ?
- (a) V.K.R.V Rao (b) T.N.Srinivasan
(c) A.K.Sen (d) K.N. Raj
49. The supply curve for a short run competitive firm is the same as :
- (a) AVC curve (b) AC curve
(c) TC curve (d) rising portion of MC curve
50. Depression phase of a business cycle is mainly due to :
- (a) voluntary unemployment (b) involuntary unemployment
(c) seasonal unemployment (d) disguised unemployment
51. Which of the following measures of money supply is based on 'store of value' definition of money ?
- (a) M1 (b) M2
(c) M3 (d) M4
52. In case of Giffen goods, price effect is :
- (a) negative (b) positive
(c) zero (d) indeterminate
53. Demand pull inflation takes place because of an increase in :
- (a) wages (b) interest rate
(c) prices of raw materials (d) money supply

54. A phenomenon where central bank fails to control inflation, is known as :
- (a) hyperinflation
 - (b) creeping inflation
 - (c) galloping inflation
 - (d) stagflation
55. Which State of India had lowest proportion of population below the poverty line in 1999-00 ?
- (a) J&K
 - (b) Tamil Nadu
 - (c) Delhi
 - (d) Kerala
56. Composition of population includes :
- (a) proportion of dependents
 - (b) proportion of males
 - (c) proportion of females
 - (d) proportion of literates.
57. For take-off to take place, minimum investment requirement is :
- (a) 5%
 - (b) 7%
 - (c) 10%
 - (d) 15%
58. According to Prebisch-Singer hypothesis, terms of trade deteriorate against the primary exports of developing countries because these products have an income elasticity of:
- (a) 1
 - (b) < 1
 - (c) > 1
 - (d) ∞
59. Which index satisfies time reversal test ?
- (a) Laspeyre's index
 - (b) Paasche's index
 - (c) Fisher's index
 - (d) all of the above
60. Which index method has an upward bias ?
- (a) Laspeyre's index
 - (b) Paasche's index
 - (c) Fisher's index
 - (d) all of the above