

# 2013 June UGC NET Solved Question Paper in Economics Paper 3

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1. Who is widely known as the founder of Austrian School?

- (A) W.S. Jevons
- (B) Leon Walras
- (C) Knut Wicksell
- (D) Karl Menger

**Answer:** (D)

2. For substitutes, cross elasticity of demand is

- (A) Positive
- (B) Negative
- (C) Zero
- (D) Always less than one

**Answer:** (A)

3. Reservation wage means

- (A) Fair wage at which workers are willing to work.
- (B) Subsistence wage at which an individual is willing to work.
- (C) Minimum wage at which an individual is willing to work.
- (D) Maximum wage at which an individual is willing to work.

**Answer:** (C)

4. An economic region of production consists of

- (A) The positively sloped portions of all isoquants
- (B) The negatively sloped portions of all isoquants

- (C) The middle of all isoquants
- (D) The highest points of all isoquants

**Answer:** (B)

5. Elasticity of substitution is

- (A) The substitution of cheaper inputs for dearer inputs.
- (B) The rate at which the inputs (labour and capital) are substituted.
- (C) A measure of the responsiveness of input ratio to a change in input-price ratio.
- (D) A measure of the responsiveness of input prices and the substitution of the cheaper inputs.

**Answer:** (C)

6. In game theory model, strategies include

- I. The potential choices to change the price
- II. To develop new or differentiated products
- III. To introduce a new or different advertisement campaign
- IV. To build excess capacity

Codes:

- (A) II and III are correct.
- (B) I and II are correct.
- (C) I, II and III are correct.
- (D) All are correct.

**Answer:** (D)

7. Pareto optimum implies

- (A) A resource allocation for which a Pareto improvement is possible.
- (B) A resource allocation in which social improvement is possible.
- (C) A resource allocation for which atleast one is better off and nobody is worse off.

(D) A resource allocation for which there are no Pareto improvements.

**Answer:** (D)

8. A model of oligopoly in which one business sets output before the other business do is

- (A) Cournot oligopoly model
- (B) Bertrand oligopoly model
- (C) Stackelberg oligopoly model
- (D) Chamberlin oligopoly model

**Answer:** (C)

9. Assertion (A): Sunk costs are not relevant to economic decisions.

Reason (R): The opportunity cost of such resources is zero.

Codes:

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

**Answer:** (A)

10. Match the statement given in List – I with that given in List – II and choose the correct code:

List – I

List – II

- |   |                          |
|---|--------------------------|
| I. Employment and output are determined solely by the factors operating on the supply side of the labour market, according to | i. Karl Marx             |
| II. The term 'classical' was coined by  | ii. Classical economists |
| III. The classical production function was used to derive the aggregate supply function by                                    | iii. J.M. Keynes         |
| IV. A linear aggregate consumption function was used by   | iv. Keynesian economists |

Select correct code for the correct answer from the following:

Codes:

- | I   | II | III | IV  |     |
|-----|----|-----|-----|-----|
| (A) | ii | iii | i   | iv  |
| (B) | iv | i   | ii  | iii |
| (C) | i  | iii | iv  | ii  |
| (D) | ii | i   | iii | iv  |

**Answer:** (D)

11. The permanent income hypothesis is consistent with cross-section and time series data because

- (A) Higher-income households are savers since their current income includes positive transitory components.
- (B) Higher-income households are savers since their current income includes negative transitory components.
- (C) Lower-income households are savers since their current income includes negative transitory components.
- (D) Lower-income households are savers since their current income includes positive transitory components.

**Answer:** (A)

12. Which of the following statements is true?

- (A) Net investment is more stable than gross investment when replacement investment is constant over time.
- (B) Gross investment is more stable than net investment when replacement investment is constant over time.
- (C) Replacement investment equals capital-output ratio times the expected increase in output  $(v - \Delta_y)$ .
- (D) Net investment is greater than  $v - \Delta_y$  when the capital-output ratio ( $v$ ) decreases.

**Answer:** (B)

13. Match the demand for money approach given in List – I with their propounders given in List – II and choose the correct code:

List – I

List – II

I. Inventory Theoretic Approach

i. Milton Friedman

II. Cash Balance Approach

ii. James Cohin

III. Portfolio Optimization Approach

iii. W.J. Baumol

IV. Quantity Theory of Money

iv. Cambridge Economists

Codes:

- | I   | II  | III | IV  |    |
|-----|-----|-----|-----|----|
| (A) | iv  | ii  | iii | i  |
| (B) | iv  | i   | iii | ii |
| (C) | iii | iv  | ii  | i  |
| (D) | ii  | iv  | iii | i  |

**Answer:** (Wrong question)

14. Assertion (A): According to Keynes, individuals hold either cash or all bonds.

Reasoning (R): Because, according to him, the speculative demand for money is associated with uncertainty.

Codes:

- (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 incorrect.
- (D) Both (A) and (R) are incorrect.

**Answer:** (C)

15. Which one of the following is not a correct interpretation of the Golden Rule of Accumulation?  
It is that capital per person at which

- (A) Savings per person and investment per person are maximum.

- (B) Marginal productivity of capital is equal to the rate of growth of population.
- (C) Marginal productivity of capital is equal to saving ratio.
- (D) Elasticity of output with respect to capital is equal to saving ratio.

**Answer:** (A)

16. For particular high values of marginal propensity to consume and the accelerator coefficient, explosive non-oscillatory cycles will occur in the model of the business cycles propounded by

- (A) Paul A. Samuelson
- (B) J.R. Hicks
- (C) Nicholas Kaldor
- (D) All of the above

**Answer:** (A)

17. In the context of IS-LM framework, which of the following statements is false?

- (A) IS curve is steeper, the lower the value of the Keynesian multiplier and the lower the interest sensitiveness of investment demand.
- (B) Crowding out is effective when money demand is perfectly interest inelastic and investment is perfectly interest elastic.
- (C) The fiscal policy is least effective and the monetary policy is most effective, the higher the interest sensitiveness of money demand and the lower the interest sensitiveness of investment demand.
- (D) The Pigou effect restores the effectiveness of monetary policy even under the liquidity trap.

**Answer:** (C)

18. Assertion (A): The fiscal policy is less effective in an open economy than in a closed economy.

Reasoning (R): Because the value of the multiplier in an open economy is less than that in a closed economy.

Codes:

- (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 incorrect.
- (D) Both (A) and (R) are incorrect.

**Answer:** (B)

19. Embodied technical change model is based on which production function?

- (A) CES
- (B) Cobb-Douglas
- (C) Translog
- (D) VES

**Answer:** (B)

20. "A technical change is neutral if at a constant rate of profit or interest, the capital output ratio also remains constant." This concept was propounded by

- (A) Kaldor
- (B) Hicks
- (C) Solow
- (D) Harrod

**Answer:** (D)

21. Endogenous growth models have been developed by

- I. Kenneth J. Arrow
- II. Paul M. Romer
- III. Robert E. Lucas
- IV. R.M. Solow

Codes:

- (A) I and II
- (B) III and IV

(C) I, II and III

(D) II, III and IV

**Answer:** (C)

22. Kaldor's growth model is based on the following assumptions:

I. Output consists of wages and profits only.

II. Investment output ratio is an independent variable.

III. MPS and MPC are constant.

IV. There is less than full employment.

Codes:

(A) I and IV

(B) II and III

(C) III and IV

(D) I and II

**Answer:** (D)

23. Assertion (A): Innovations in one field rarely induce innovations in related fields.

Reason (R): Once an innovation becomes profitable, other entrepreneurs follow it in "Swarm like clusters".

Codes:

(A) (A) is not correct and (R) is correct.

(B) (A) is correct and (R) is not correct.

(C) Both (A) and B are not correct.

(D) Both (A) and (R) are correct.

**Answer:** (A)

24. Arrange the concepts of Endogenous growth model in a sequential order :



I. Production of ideas by research.

II. Learning by doing.

III. Learning by investment.

IV. Learning by watching.

Codes:

(A) III, I, II, IV

(B) IV, III, I, II

(C) I, II, IV, III

(D) II, IV, III, I

**Answer:** (D)

25. Match the items in List – I with List – II:

List – I

List – II

I. Increasing outlay on education leads to rapid Economic Growth

i. C.P. Blacker

II. Spread Effects

ii. Kaldor

III. Theory of Demographic Transition: Five Stages of Population Growth

iii. T.W. Schultz & others

IV. Widows Curse

iv. Gunnar Myrdal

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I      II      III      IV

(A)    i      ii      iv      iii

(B)    ii      i      iii      iv

(C)    iv      iii      ii      i

(D)    iii      iv      i      ii

**Answer:** (D)

26. Match the items in List – I with List – II:

List – I

List – II

- |                                 |                   |
|---------------------------------|-------------------|
| I. Capitalist rules of the game | i. Karl Marx      |
| II. Embodied Technical Change   | ii. UNDP          |
| III. Industrial Reserve Army    | iii. Robert Solow |
| IV. Human Development Report    | iv. Joan Robinson |

Codes:

- |     |     |     |     |     |
|-----|-----|-----|-----|-----|
| I   | II  | III | IV  |     |
| (A) | iii | iv  | ii  | i   |
| (B) | i   | ii  | iv  | iii |
| (C) | ii  | i   | iii | iv  |
| (D) | iv  | iii | i   | ii  |

**Answer:** (D)

27. Assertion (A): Dependence of Less Developed Countries (LDCs) on Developed Countries (DCs) is the main cause for the underdevelopment of the former.

Reason (R): "This is because of historical evolution of a highly unequal international capitalist system of rich-poor country relationships."

Codes:

- (A) (A) is correct and (R) is the correct reason for (A).  
 (B) (A) is incorrect, but (R) is correct.  
 (C) Both (A) and (R) are incorrect.  
 (D) Both (A) and (R) are correct.

**Answer:** (C)

28. Which of the following is relevant for Wagner's Law of Increasing State Activities?

- (A) Public expenditure does not increase in a smooth and continuous manner.  
 (B) Public expenditure increases in step like fashion.  
 (C) There are inherent tendencies for the activities of the Government to increase both intensively and extensively.

(D) Economy grows faster than the governmental sector.

**Answer:** (C)

29. The share of the tax borne by the seller will be larger

(A) if the demand for the product is less elastic.

(B) if the demand for the product is inelastic.

(C) if the demand for the product has greater elasticity .

(D) if the elasticity of supply of the product is larger.

**Answer:** (C)

30. The non-plan revenue expenditure of Central Government on Revenue Account include:

I. Interest payments

II. Subsidies

III. Grants-in-aid

IV. Loans to Public Enterprises

Codes:

(A) I and II are correct.

(B) I, II and III are correct.

(C) I, II and IV are correct.

(D) I, II, III and IV are correct.

**Answer:** (B)

31. The Constitution of India provides for transfer of resources from Centre to States in the form of

I. Tax sharing

II. Loans

III. Grants-in-aid

#### IV. Grants for implementation of Five Year Plans

Codes:

(A) I, II and III are correct.

(B) I and III are correct.

(C) I, III and IV are correct.

(D) All are correct.

**Answer:** (A)

32. Identify the correct chronology of implementation of the following taxes in India :

I. Service taxes

II. Fringe benefits tax

III. Personal income-tax

IV. Expenditure tax

Codes :

(A) III, I, II, IV

(B) III, II, I, IV

(C) III, IV, I, II

(D) IV, III, II, I

**Answer:** (C)

33. The taxes which Kaldor proposed for India in 1956 to check tax evasion, supplementing income tax are

I. Capital gains tax

II. Annual tax on wealth

III. Personal expenditure tax

IV. Gift tax

Codes:

- (A) II and III are correct.
- (B) I, II and III are correct.
- (C) II, III and IV are correct.
- (D) All are correct.

**Answer:** (D)

34. According to the cost based definition of dumping, dumping occurs when a firm sells a product abroad at a price that is less than

- (A) Average Total Cost
- (B) Average Variable Cost
- (C) Marginal Cost
- (D) Average Fixed Cost

**Answer:** (A)

35. Select the correct statement out of the following:

- (A) Multilateral Trade Negotiations are a process of increasing tariffs to trade among member countries.
- (B) Multilateral Trade Negotiations are a process of increasing nontariff barriers to trade.
- (C) Multilateral Trade Negotiations are a process of increasing tariffs but decreasing non-tariff barriers to trade.
- (D) Multilateral Trade Negotiations are a process of reducing tariff and non-tariff barriers to trade among member countries of GATT or WTO.

**Answer:** (D)

36. Consider the following statements:

As per the Trade Related Investment Measures (TRIMs)

1. all restrictions on foreign capital companies are to be scrapped.
2. no restrictions will be imposed on any area of investment.

3. imports of raw materials are to be allowed freely.
4. export of part of the output will be mandatory.

Which of the above statements are correct?

Codes:

- (A) 1, 3 and 4
- (B) 1, 2 and 3
- (C) 1, 2 and 4
- (D) 2, 3 and 4

**Answer:** (B)

37. The fundamental cause for the collapse of the Brettonwoods System was

- (A) the liquidity problem
- (B) the adjustment problem
- (C) the confidence problem
- (D) all of the above

**Answer:** (D)

38. Match List – I with List – II and select the correct answer using the codes given below the lists:

List – I

List – II

I. Forward exchange of foreign currency.

i. A device of covering exchange risk against the price rise

II. Hedging another currency at some fixed rate in the future at a price agreed upon now.

ii. A contract to buy and sell foreign exchange against

III. Arbitrage the cost of moving gold from one country to another.

iii. The movement of exchange rate between two limits set by

IV. Specie points markets into a single market in economic sense.

iv. A mechanism which merges two separate physical

Codes:

- |     |    |     |    |     |
|-----|----|-----|----|-----|
| I   | II | III | IV |     |
| (A) | iv | iii | ii | i   |
| (B) | ii | i   | iv | iii |
| (C) | iv | i   | ii | iii |
| (D) | ii | iii | iv | i   |

**Answer:** (B)

39. Arrange the following WTO ministerials in the chronological order:

- I. Seattle
- II. Cancun
- III. Singapore
- IV. Hong-Kong

Codes:

- (A) III, IV, I, II
- (B) III, I, II, IV
- (C) II, III, IV, I
- (D) II, IV, I, III

**Answer:** (B)

40. If Hong-Kong and Taiwan have identical production possibility curves that are subject to increasing opportunity costs, then

- (A) trade would depend on differences in demand conditions.
- (B) trade would depend on economies of large scale production.
- (C) trade would depend on the use of different currencies.
- (D) there would be no basis for gainful trade.

**Answer:** (A)

41. Trade deflection is the diversion of exports to a country within a free trade area that has

- (A) higher tariffs on goods
- (B) highest tariffs on exports
- (C) lower tariffs on goods
- (D) none of the above

**Answer:** (C)

42. The formula that shows the correct relationship between:

- i. Total demand and time liabilities (L)
- ii. Excess Reserves (ER)
- iii. Current-account balances with other banks (CB)
- iv. Investment in unencumbered government and other approved securities ( $I^*$ )
- v. Statutory Liquidity Ratio (SLR) is

Codes:

- (A)  $SLR = (ER + I^* - CB) / L$
- (B)  $SLR = (ER + I^*) / (L + CB)$
- (C)  $SLR = (L + CB + ER) / I^*$
- (D)  $SLR = (ER + I^* + CB) / L$

**Answer:** (D)

43. Consider the following:

- I. RBI
- II. SBI
- III. NABARD
- IV. LIC

The financial intermediaries among the above are:

Codes:



- (A) All the four
- (B) II, III, IV
- (C) II, III
- (D) II, IV

**Answer:** (D)

44. Real balance effect relates to

- (A) the effect which a change in value of the real cash balances held by the public produces in the economy.
- (B) the effect which a change in value of the real cash balances held by the commercial banks produces in the economy.
- (C) the effect which a change in value of the real cash balances held by the multi-national banks produces in the economy.
- (D) the effect which a change in value of the real cash balances held by the NBFIs produces in the economy.

**Answer:** (A)

45. Assertion (A): Reserve Bank of India raises money supply through purchase of securities in the money market.

Reason (R): Increase in money supply may result in the expansion of investment and employment.

Codes:

- (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) Both (A) and (R) are incorrect.
- (D) (A) is correct, but (R) is incorrect.

**Answer:** (B)

46. Match the items in List – I against the items in List – II and select the answer from the codes given below:

## List – I

- I. Simple Deposit System
- II. Maximum Fiduciary System reserves.
- III. Percentage Deposit System
- IV. Bonus Deposit System

## List – II

- i. 100% backing of metallic reserves
- ii. Certain percentage of total notes is kept in specific reserves.
- iii. Maximum note issuing is statutorily fixed.
- iv. Reserves of IOUs and short period loans.

## Codes:

- | I   | II  | III | IV  |     |
|-----|-----|-----|-----|-----|
| (A) | iii | iv  | ii  | i   |
| (B) | i   | ii  | iii | iv  |
| (C) | ii  | i   | iv  | iii |
| (D) | i   | iii | ii  | iv  |

**Answer:** (D)

47. As per Micro, Small and Medium Enterprises Development Act, 2006, micro enterprises are those with investments:

- (A) < Rs. 25 lakhs
- (B) Rs. 25 lakhs to Rs. 5 crores
- (C) Rs. 5 crores to Rs. 10 crores
- (D) > Rs. 10 crores

**Answer:** (A)

48. Match the items given in List – I with those in List – II:

## List – I

- I. Rangrajan Committee
- II. Karve Committee
- III. Dr. R.K. Hazari Committee
- IV. Arjun Sengupta Committee

## List – II

- i. Report on small Industries
- ii. Disinvestment of shares in PSE's
- iii. Review of the Policy for Public Enterprises
- iv. Industrial Licensing

Codes:

- | I   | II  | III | IV |     |
|-----|-----|-----|----|-----|
| (A) | i   | iii | iv | ii  |
| (B) | iii | ii  | iv | i   |
| (C) | ii  | i   | iv | iii |
| (D) | ii  | iv  | i  | iii |

**Answer:** (C)

49. The Eleventh Five Year Plan aimed at generating

- (A) 15 million work opportunities
- (B) 35 million work opportunities
- (C) 58 million work opportunities
- (D) 100 million work opportunities

**Answer:** (C)

50. The Unorganised Workers Social Security Act came in existence in the year

- (A) 2001
- (B) 2005
- (C) 2008
- (D) 2012

**Answer:** (C)

51. The share of industry in India's GDP in the year 2006-07 is estimated at

- (A) 20 %
- (B) 15 %
- (C) 45 %
- (D) 26 %

**Answer: (D)**

52. According to Hotelling rule about the exhaustible natural resources, which of the following is used for price variation of the exhaustible natural resources:

- (A) Rate of interest
- (B) Labour cost
- (C) Rent and royalties of mines
- (D) Production cost and royalty of mines

**Answer: (A)**

53. Suggest the correct answer about the 'Pigovian Tax':

- I. Provides solution in order to 'internalize' the total costs of an activity into the market.
- II. Provides solution to reduce the production of pollutants through public policy.
- III. It helps in increasing the factor productivity in the real sector.
- IV. It acts like a severance tax.

Codes:www.netugc.com

- (A) I & II
- (B) III & IV
- (C) I, II & IV
- (D) I, II, III & IV

**Answer: (C)**

54. Which of the following is correct about the Contingent Valuation Method (CVM) used in Environmental Economics?

- (A) It is used only for pollutants.
- (B) It is used only for items with positive utilities.
- (C) It is used for items under market failures.
- (D) It is used only for natural resources.

**Answer: (C)**

55. Natural growth of population is the outcome of the following:

- I. Crude Birth Rate
- II. Crude Death Rate
- III. Migration
- IV. Marriages

Codes:

- (A) Only I
- (B) Only III
- (C) II & IV
- (D) I & II

**Answer: (D)**

56. Identify the correct statement about the relationship between total fertility rate and gross-reproduction rate:

- (A)  $TFR > GRR$  is possible.
- (B)  $TFR = GRR$  is possible.
- (C)  $TFR < GRR$  is possible.
- (D) All the above is possible.

**Answer: (A)**

57. Why does the share of agriculture in developing economies decline when national economy is growing rapidly?

- I. Food becomes like inferior commodity.
- II. Growth of agriculture cannot be very fast.
- III. Industrial sector grows faster.
- IV. Public spending on the farm factor is not enough.

Codes:

(A) I, II, III & IV

(B) II, III & IV

(C) II & III

(D) I, II & IV

**Answer:** (A)

58. Share of fishing in the GDP of India in recent years has been around

(A) 0.8 percent

(B) 1.2 percent

(C) 1.7 percent

(D) 2.1 percent

**Answer:** (A)

59. What is the economic cost of foodgrains to the Food Corporation of India?

(A) Minimum support price and bonus paid to farmers + transportation costs.

(B) Minimum support price + bonus + interest cost.

(C) Minimum support price + bonus + procurement incidentals + charges for godowns.

(D) Minimum support price (including bonus, if any) + procurement incidentals + distribution cost.

**Answer:** (D)

60. What is meant by farm mechanization?

(A) Using only machines for farm operations.

(B) Replacement of biological sources of energy by the mechanical sources of energy for farm operations.

(C) Using machines, tractors, tube wells, etc. for agricultural production.

(D) Using machines, tractors, tube wells, fertilizers, etc. besides soil testing and certified seeds for agricultural production.

**Answer: (B)**

61. Inter-sectoral terms of trade in an economy refers to

- (A) ratio of prices received and paid by the farmers.
- (B) ratio of domestic and international price of farm commodities.
- (C) terms at which government purchases farm produce.
- (D) trade of industrial products in the foreign markets.

**Answer: (A)**

62. The utility function is given as

$U = f(x, y)$ , where  $U$  = total utility and  $x$  &  $y$  are two goods consumed.

The budget constraint is given as

$C = p_x x + p_y y$ , where  $p_x$  and  $p_y$  are the prices of 'x' and 'y' respectively.

The condition for maximisation of utility is

- (A)  $\partial f/\partial x / \partial f/\partial y = p_y/p_x$
- (B)  $\partial f/\partial x / \partial f/\partial y = p_x/p_y$
- (C)  $\partial f/\partial x = \partial f/\partial y = p_x/p_y$
- (D)  $\partial f/\partial x = \partial f/\partial y = p_y/p_x$

**Answer: (B)**

63. The total cost function and the market demand function of a competitive firm are  $C =$

$1/3 x^3 - 10x^2 + 9x + 1000$  and  $x = (12 - p)/9$  respectively. The level of output at which profits will be maximised?

- (A) 1
- (B) 2
- (C) 3
- (D) 4

**Answer: (C)**

64. An input-output model which has endogenous final demand vector is known as

- (A) Open Input-Output Model
- (B) Closed Input-Output Model
- (C) Static Input-Output Model
- (D) Dynamic Input-Output Model

**Answer: (B)**

65. Let the two regression lines be given as:  $3x = 10 + 5y$  and  $4y = 5 + 15x$ . Then the correlation coefficient between  $x$  and  $y$  is

- (A)  $-0.40$
- (B)  $0.40$
- (C)  $0.89$
- (D)  $+1.05$

**Answer: (B)**

66. The estimated regression equation of the form  $y = \alpha_0 + \alpha_1 x_1 + \alpha_2 x_2 + e$  is  $y = -6.79 + 1.79(x_1) + 0.97 x_2$  and  $SE(\alpha_0) = 1.32$ ,  $SE(\alpha_1) = 0.41$  and  $SE(\alpha_2) = 0.53$ . To test  $H_0 : \alpha_1 \neq 0$ , the test statistic  $|t|$  is equal to

- (A) 5.144
- (B) 4.366
- (C) 1.830
- (D) 3.377

**Answer: (B)**

67. Given that the Cobb-Douglas production function is:  $y = AL^\alpha K^\beta$ ,  $\alpha, \beta > 0$

Match List – I with List – II and select the answer from the codes given below:



## List – I

- I. Increasing returns to scale
- II. Decreasing returns to scale
- III. Constant returns to scale
- IV. Diminishing returns to factors

## List – II

- i.  $\alpha + \beta = 1$
- ii.  $\alpha + \beta > 1$
- iii.  $\alpha + \beta < 1$
- iv.  $\alpha, \beta < 1$

Codes:

I      II      III      IV

(A) i ii iii iv

(B) i iii iv ii

(C) ii iii i iv

(D) iv ii iii i

**Answer:** (C)

68. In the presence of heteroscedasticity, the best linear unbiased estimators are provided by the method of

- (A) Ordinary Least Squares
- (B) Indirect Least Squares
- (C) Weighted Least Squares
- (D) Instrumental Variables

**Answer:** (C)

69. To test the stationarity of the series in time series analysis, the following test will be used:

- (A) Unit Root Test
- (B) Random Walk Test
- (C) Cochrane-Orcutt Iterative Procedure Test
- (D) Durbin-Watson Statistic Test

**Answer:** (A)

70. Match List – I with List – II and select the answer from the codes given below:

List – I

List – II

I. Koyck's Lagged Model

i. Adjustment Equation

II. Almon's Lagged Model

ii. Geometric Progression

III. Nerlov's Model

iii. Adaptative Expectation

IV. Cogan's Model

iv. Approximation Polynomial

Codes:

- | I   | II | III | IV  |     |
|-----|----|-----|-----|-----|
| (A) | iv | i   | ii  | iii |
| (B) | ii | iii | iv  | i   |
| (C) | ii | iv  | i   | iii |
| (D) | iv | i   | iii | ii  |

**Answer:** (C)

71. Identify the Five Year Plans when actual growth realisation has been higher than the growth target :

I. Fifth Plan

II. Seventh Plan

III. Ninth Plan

IV. Tenth Plan

Codes:

- (A) I, II & III  
 (B) II, III & IV  
 (C) I & II  
 (D) III & IV

**Answer:** (C)

72. Which of the following development programmes is receiving 100 percent funding as centrally sponsored scheme from the Government of India?

I. Accelerated Power Development & Reform Programme (APDRM)

II. Rashtriya Krishi Vikas Yojana

III. National Social Assistance Programme (NSAP)

IV. Women & Child Development Programme

Codes:

(A) I, II, III & IV

(B) I & II

(C) III & IV

(D) I, II & III

**Answer:** (D)

73. Rank the States in descending order of their size of State Domestic Product at current prices in the recent years:

I. Karnataka

II. Maharashtra

III. Uttar Pradesh

IV. Tamil Nadu

Codes: [www.netugc.com](http://www.netugc.com)

(A) I, IV, III & II

(B) III, IV, I & II

(C) II, IV, I & III

(D) II, III, IV & I

**Answer:** (D)

74. What has been the share of the 'food, beverages and tobacco' in the private final consumption expenditure in India in the recent years?

- (A) 25 percent
- (B) 33 percent
- (C) 45 percent
- (D) 56 percent

**Answer:** (B)

75. Find out the incorrect statements from the following statements:

- I. Savings, credits and insurance are the parts of microfinance.
- II. Share of agriculture in the GDP has come down to below 11 percent in India recently.
- III. CSO has revised the consumer price index series on new base 2011 = 100.
- IV. Poverty estimation in India is done on NSSO data.

Codes:

- (A) I & IV
- (B) I & II
- (C) I & III
- (D) II & III

**Answer:** (D)