61614

ROLL No. | | | | | |

TEST BOOKLET No. 116

TEST FOR M.A. APPLIED ECONOMICS

Time: 2 Hours

Maximum Marks: 450

INSTRUCTIONS TO CANDIDATES

1. You are provided with a Test Booklet and an Optical Mark Reader (OMR) Answer Sheet to mark your responses. Do not soil the Answer Sheet. Read carefully all the instructions given on the Answer Sheet.
2. Write your Roll Number in the space provided on the top of **this page**.
3. Also write your Roll Number, Test Code, and Test Subject in the columns provided for the same on the **Answer Sheet**. Darken the appropriate bubbles with a **Ball Point Pen.**
4. The paper consists of 150 objective type questions. All questions carry equal marks.
5. Each question has four alternative responses marked **A, B, C** and **D** and you have to **darken** the bubble fully by a **Ball Point Pen** corresponding to the correct response as indicated in the example shown on the Answer Sheet.
6. Each correct answer carries **3** marks and each wrong answer carries **1** minus mark.
7. Space for rough work is provided at the end of this Test Booklet.
8. You should return the Answer Sheet to the Invigilator before you leave the examination hall. However, you can retain the Test Booklet.
9. Every precaution has been taken to avoid errors in the Test Booklet. In the event of any such unforeseen happenings, the same may be brought to the notice of the Observer/Chief Superintendent in writing. Suitable remedial measures will be taken at the time of evaluation, if necessary.

SEAL

61614

TEST FOR M.A. APPLIED ECONOMICS

1. "Economics is the science which treats of wealth" was stated by

   (A) Marshall (B) Pigou
   (C) J.B. Say (D) Ricardo

2. Who wrote the book entitled "Principles of Economics"?

   (A) Alfred Marshall (B) Ricardo
   (C) Adam Smith (D) Pigou

3. Who has first coined the terms 'Micro Economics and Macro Economics'?

   (A) Keynes (B) Joan Robinson
   (C) Adam Smith (D) Ragnar Frisch

4. The doctrine of 'Conspicuous Consumption' was propounded by

   (A) J.B. Say (B) T. Veblin
   (C) Marshall (D) Keynes

5. The demand curve slopes upward in the case of

   (A) normal goods (B) inferior goods
   (C) Giffin goods (D) None of the above

6. Who has stated the relationship "Price effect = Income effect + Substitution effect"?

   (A) Slutsky (B) Marshall
   (C) Malthus (D) Ricardo

7. The relationship between income and expenditure on different goods is explained by

   (A) demand curve (B) indifference curve
   (C) Engel curve (D) supply curve

8. If the price of X commodity is Rs.6 and price of Y commodity is Rs.2, then the slope of the price line is

(A) 4
(B) 1 ½
(C) 3
(D) 6

9. 'The Revealed preference hypothesis' was propounded by

(A) Samuelson
(B) Keynes
(C) Marshall
(D) Hicks

10. The elasticity of substitution between two normal goods usually lies between

(A) 0 and 1
(B) 0 and −1
(C) 0 and ∞
(D) −1 and +1

11. From among the following, which is not a property of production indifference curve?

(A) It is the locus of points of inputs which give the producer the same level of output
(B) Higher and higher indifference curves represent higher and higher levels of satisfaction
(C) Two production indifference curves will never intersect
(D) Production indifference curves are always rectangular shaped

12. Marginal Rate of Technical Substitution (MRTS) of labour for capital refers to

(A) amount of capital that a firm can give up by increasing the amount of labour used by one unit
(B) amount of labour that a firm can add along with an increase in the amount of capital for one unit
(C) amount of capital that a firm can add along with an increase in the amount of labour used for one unit
(D) amount of labour that a firm can give up by increasing the amount of capital used for one unit

13. Average product can be defined as

(A) total product divided by price per unit
(B) total product divided by average fixed cost
(C) total product divided by the number of units of inputs used
(D) total product divided by average variable cost

14. If A is preferred to B and B to C, then A is preferred to C. This condition is called,

(A) consistency condition
(B) transitivity condition
(C) logical condition
(D) first order condition

15. A cost incurred in the past which is not affected by a current decision is known as

(A) fixed cost
(B) opportunity cost
(C) sunk cost
(D) relevant cost

16. According to Ricardo, rent

(A) is a reward for the use of any factor
(B) is the surplus earnings of the land
(C) is the temporary earnings of a fixed factor
(D) None of the above

17. ..... degree of price discrimination is very relevant in international trade.

(A) First
(B) Second
(C) Third
(D) Fourth

18. ..... shows the various combinations of utilities of two individuals that give society the same level of satisfaction or welfare.

(A) Utility possibility cure
(B) Social welfare function
(C) Welfare function
(D) Bliss point

19. Let S = 100+0.4Y, where S = savings and Y = income. Then the marginal propensity to consume is

(A) 0.4
(B) 0.6
(C) 0.1
(D) 0.7

20. The concept of rational expectation is one element of

(A) Keynesian system
(B) Classical system
(C) Monetarist view
(D) Neo classical theory

21. In the case of Cobb-Douglas Production function, elasticity of substitution between any two inputs is

(A) infinity
(B) zero
(C) one
(D) −1

22. The term 'optimality' in Economics refers to

(A) maximum
(B) minimum
(C) both maximum and minimum
(D) None of the above

23. Which of the market structure gives you maximum welfare?

(A) Perfect competition
(B) Monopoly
(C) Oligopoly
(D) Duopoly

24. Price rigidity is one of the important features of

(A) perfect competition
(B) monopoly
(C) monophony
(D) oligopoly

25. Total revenue becomes maximum when marginal revenue becomes

(A) zero
(B) > 0
(C) < 0
(D) lies between 0 and 1

26. Name the Economist who compared the price determination with pair of scissors.

(A) Marshall
(B) Adam Smith
(C) Malthus
(D) Ricardo

27. Name the Economist who gave a great importance to the time element in the determination of price.

(A) Adam Smith
(B) Marshall
(C) Keynes
(D) Boulding

28. The condition governing the long run equilibrium is

(A) P = AR = MR
(B) P = MC
(C) AR = MR = MC
(D) P = Minimum AC

29. Which cost refers to wastage of competition in the theory of Monopolistic competition?

(A) Average cost
(B) Fixed cost
(C) Total cost
(D) Selling cost/ Advertising cost

30. The kinked demand curve hypothesis was propounded by

(A) Paul Sweezy
(B) Samuelson
(C) J.B. Say
(D) Keynes

31. The concept 'demonstration effect' is related to

(A) permanent income hypothesis
(B) relative income hypothesis
(C) absolute income hypothesis
(D) life cycle hypothesis

45. If a commercial bank has Rs.100 crores as deposits and 10% is the required cash reserve ratio, then the bank will create credit to the extent of

(A) 1000 crores
(B) 800 crores
(C) 900 crores
(D) 700 crores

46. The concept of 'Liquidity Gap' was introduced by

(A) Keynes
(B) Milton Friedman
(C) Pigou
(D) Modigliani

47. "Inflation is always and everywhere a monetary phenomenon", was stated by

(A) Milton Friedman
(B) Harry G. Johnson
(C) Brooman
(D) Edward Shapiro

48. The interaction between multiplier and accelerator was developed by

(A) Paul A. Samuelson
(B) Keynes
(C) Tobin
(D) Haberler

49. Employment multiplier has been introduced by

(A) Hanson
(B) Schumpeter
(C) Haberler
(D) R.F. Kahn

50. India's Second Five Year Plan was based on the economic model of

(A) Mahalanobis
(B) Krishnamoorthy
(C) Klein
(D) Asok Rudra

51. SAFTA is

(A) South African Free Trade Area
(B) South American Free Trade Area
(C) South Asian Free Trade Area
(D) South Asian Free Trade Agreement

52. Which is not a function of the IMF?

(A) Multilateral system of payments
(B) Exchange rate stability
(C) Provision of finance for economic development
(D) Promotion of international cooperation

53. Bretton Woods System was abandoned by most countries in

(A) 1973
(B) 1972
(C) 1971
(D) 1974

54. One of the major contributions of Arthur Lewis to the theory of economic growth is the introduction of the concept of

(A) full employment
(B) employment
(C) frictional unemployment
(D) disguised unemployment

55. Point out the correct order in which the following measures of development were introduced.

(A) Per capita income, PQLI, HDI
(B) Per capita income, HDI, PQLI
(C) HDI, Per capita income, PQLI
(D) PQLI, HDI, Per capita income

56. Sustainable development address to

(A) the needs of the present generation
(B) the needs of the future generation
(C) the needs of the future generation, with compromising on the needs of the present generations
(D) the needs of the present generation, with compromising the needs of the future generation

71. In the case of regressive taxation

(A) there is an equi proportionate relation between income and tax rate
(B) there is an inverse relation between income and tax rate
(C) there is a proportionate relation between income and tax rate
(D) there is no relation between income and tax rate

72. Absolute taxable capacity is defined as

(A) maximum amount of tax that can be collected from a community
(B) maximum amount of tax that can be collected from a community without causing any unpleasant effect
(C) maximum amount of tax that can be collected from a community without affecting the welfare of the rich
(D) maximum amount of tax that can be collected from a community without affecting the welfare of the poor

73. Among the following, which is a local tax?

(A) Income tax
(B) Sales tax
(C) Profession tax
(D) VAT

74. Who introduced income tax in India in 1860?

(A) James Wilson
(B) Harvey Wilson
(C) Lord Curzon
(D) Lord Ripon

75. Food Security Bill was approved by Parliament in

(A) January 2013
(B) March 2012
(C) September 2013
(D) October 2013

76. The geometric mean of the numbers 2 and 8 is

(A) 3
(B) 5
(C) 4
(D) 6

77. The percentage of observation covered by Median $\pm$ Quartile deviation is

(A) 20%
(B) 30%
(C) 40%
(D) 50%

78. Coefficient of variation is given by

(A) $\frac{\sigma}{x}$
(B) $\frac{\sigma}{\bar{x}} \times 100$
(C) $\frac{\bar{x}}{\sigma}$
(D) $\frac{\sigma}{\bar{x}}$

79. The standard deviation (σ) for the first 'n' natural numbers is

(A) $\frac{n+1}{2}$
(B) $\frac{n}{2}$
(C) $\sqrt{\frac{n^2-1}{8}}$
(D) $\sqrt{\frac{n^2-1}{12}}$

80. Which of the following represents correlation coefficient, given the two regression coefficients b_{yx} and b_{xy} ?

(A) $\frac{b_{yx}+b_{xy}}{2}$
(B) $\sqrt{b_{yx} \cdot b_{xy}}$
(C) $\frac{2}{b_{yx} \cdot b_{xy}}$
(D) $\frac{b_{yx}}{b_{xy}}$

81. Which of the following average is the best for the construction of index number?

(A) A.M
(B) H.M
(C) G.M
(D) Weighted A.M

82. The term 'variance' was introduced by

(A) Karl Pearson
(B) R.A. Fisher
(C) Mahalanobis
(D) Stewart and Kendal

83. "A time-series is a set of observations taken at specified times, usually at equal intervals". The above statement was given by

(A) Spiegel
(B) Patterson
(C) Wessel
(D) Morris

84. Linear growth rate can be estimated by making use of the equation

(A) $Y = a + bt$
(B) $\log \frac{y}{t} = a + bt$
(C) $\log y = a + bt + ct^2$
(D) $y = a.\ e^t$

85. If two events A and B are independent, the multiplication theorem states that

(A) $P(AB) = \frac{P(A)}{P(B)}$
(B) $P(AB) = P(A) + P(B)$
(C) $P(AB) = P(A).\ P(B)$
(D) $P(AB) = \frac{P(A) - P(B)}{P(A)}$

86. The co-efficient of kurtosis for normal distribution is

(A) 1
(B) 2
(C) 3
(D) 0

87. A problem in statistics is given to two students A and B and their chances of solving it are $\frac{1}{2}$ and $\frac{1}{3}$ respectively. What is the probability that the problem will be solved?

(A) $\frac{1}{2}$ (B) $\frac{3}{4}$

(C) $\frac{2}{3}$ (D) $\frac{1}{4}$

88. Among the following, which is more associated with a circle?

(A) Pie diagram (B) Bar chart
(C) Histogram (D) Ogives

89. Among the following, which is a relative measure?

(A) Standard deviation (B) Coefficient of variation
(C) Range (D) None of the above

90. Student *t* test can be used in the case of

(A) a small sample
(B) when sample size is less than 10
(C) when sample size is between 20 and 30
(D) a large sample

91. In order to know the association between two attributes, we use

(A) *F* test (B) Chi square test
(C) correlation (D) regression

92. In order to conduct study among tribals, the best sampling design is

(A) random sample (B) systematic sample
(C) cluster sample (D) multi stage sample

93. The set of all possible outcomes of a random experiment is called the

(A) universe
(B) sample space
(C) sample
(D) event

94. Choose the correct statement from among the following.

(A) The expectation of the product XY is the sum of the expectations of X and Y
(B) The expectation of the product XY is the square of the expectations of X and Y
(C) The expected value of a constant is the constant itself
(D) The expected value of a constant is zero

95. Among the following, which one best explains the property of normal distribution?

(A) It is a skewed distribution
(B) It is a symmetrical distribution around its mean value
(C) It is a symmetrical distribution around its variance
(D) It is a symmetrical distribution around its standard deviation

96. When the original items differ in size, which of the following holds true?

(A) A.M ≥ G.M ≥ H.M
(B) A.M ≤ H.M ≤ G.M
(C) A.M > G.M > H.M
(D) A.M < H.M < G.M

97. If X and Y are two positive quantities, harmonic mean is given by

(A) $\frac{x+y}{2}$
(B) $\sqrt{x.y}$
(C) $\frac{2}{\frac{1}{x}+\frac{1}{y}}$
(D) $\frac{ax+by}{2}$

98. The coefficient of determination (R^2) lies between

(A) $0 \leq R^2 \leq 1$
(B) $-1 \leq R^2 \leq 1$
(C) $1 \leq R^2 \geq 0$
(D) None of the above

99. Derivative of a constant is

(A) zero
(B) one
(C) negative
(D) -1

100. Conditions for maximum value are

(A) first order and second order derivatives should be equal to zero
(B) first order derivative should be equal to zero and second order derivative should be less than zero
(C) first order derivative should be equal to zero and second order derivative should be greater than zero
(D) first order and second order derivatives should be greater than zero

101. If the demand law is $X = 20 / p + 1$, then elasticity at the point price equals 3 will be

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

102. A ratio is

(A) a relationship of two values expressed in the same unit
(B) a comparative relationship of two values expressed in the same unit
(C) a relationship of two variables
(D) a comparative relationship of two values

103. An equation is

(A) an equality between two quantities
(B) a statement of equality between two quantities
(C) a statement of two quantities
(D) balancing of two quantities

104. The transpose of a row vector is a

(A) row matrix
(B) column matrix
(C) column vector
(D) row vector

105. A scalar matrix is

(A) a matrix whose diagonal elements are equal
(B) a diagonal matrix whose diagonal elements are equal
(C) a diagonal matrix whose elements are equal
(D) a diagonal matrix whose diagonal elements are one

106. The transpose of a transposed matrix is

(A) always unity
(B) original matrix
(C) zero
(D) None of the above

107. Adjoint matrix is

(A) same as cofactor matrix
(B) transpose of the original matrix
(C) transpose of the cofactor matrix
(D) transpose of the diagonal matrix

108. The function $y = \frac{a}{x}$, represents a

(A) parabola
(B) hyperbola
(C) rectangular hyperbola
(D) straight line

109. State the solution of the equation $x^2 - 5x + 6 = 0$

(A) $\{3, 2\}$
(B) $\{4, 1\}$
(C) $\{1, 5\}$
(D) $\{4, 2\}$

110. Suppose the demand equation is P = 10 − q. Total revenue is maximum when q is equal to

(A) 5
(B) 10
(C) 15
(D) 8

111. The equation $y = a^x$, represents

(A) a hyperbola
(B) a parabola
(C) an exponential curve
(D) a simple linear curve

112. Simplify and state the correct answer for $\frac{x^{10} \cdot x^{-3}}{x^2 \cdot x^0}$

(A) x^3
(B) x^7
(C) x^6
(D) x^5

113. If A = $\begin{bmatrix} -6 & 5 \\ -2 & -1 \end{bmatrix}$, the value of determinant of A is

(A) 14
(B) 6
(C) 16
(D) -10

114. If A= { 1,2,3,4,5,6} , B={4,5,3,2}, then A $\cap$ B is

(A) {1,2,3,4,5,6}
(B) {4,5}
(C) {1,5,6}
(D) {2,3,4,5}

115. The value of the determinant A= $\begin{vmatrix} x_1 & y_1 & z_1 \\ x_2 & y_2 & z_2 \\ x_3 & y_3 & z_3 \end{vmatrix}$ is

(A) $x_1 y_2 z_1$
(B) 1
(C) 0.
(D) $x^2{}_1 y^2{}_1 z^2{}_1$

116. Suppose the production function is $Y = L^{\beta}$. The marginal product of labour is

(A) βL^{β}
(B) $\beta L^{\beta-1}$
(C) $\frac{L^{\beta} \cdot \beta}{L^2}$
(D) $\frac{L^{\beta}}{L}$

117. If $\frac{x}{x+12} = \frac{2}{3}$, then the value of x is

(A) 12
(B) 18
(C) 24
(D) 0

118. If $y = x^2 + 3x + 1$, then the second order derivative $\frac{d^2y}{dx^2}$ is

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

119. Suppose the total revenue and the cost function are
$R = 30x - x^2$
$C = 20 + 4x$

What is the optimum output level?

(A) 10
(B) 15
(C) 12
(D) 13

120. Suppose the utility function is $U = q_1 q_2$, what is its slope?

(A) $\frac{q_1}{q_2}$
(B) $-\frac{q_2}{q_1}$
(C) q_2
(D) q_1

121. Gobi desert is located at

(A) India
(B) China
(C) USA
(D) UK

122. Sachin Tendulkar is a member of the

(A) Rajya Sabha
(B) Lok Sabha
(C) International Cricket Association
(D) Olympics Committee

123. Capital of Uganda is

(A) Kampala (B) Botswana
(C) Kiwi (D) Ksidysn

124. Currency of Singapore is

(A) Yen (B) Dollar
(C) Euro (D) Rupee

125. Which country is having flag just reverse of the flag of Red Cross?

(A) Switzerland (B) Canada
(C) Taiwan (D) Chili

126. The British word corresponding to American word 'apartment' is

(A) home (B) house
(C) flat (D) residence

127. The hobby of kids and kings is

(A) Chess (B) Cricket
(C) Football (D) Stamp collection

128. Among the following, who is the Chinese woman who reached space?

(A) Jim va ki (B) Jim va kicker
(C) Wadoce walke he (D) Llu Yang

129. Ancient city of Greece is

(A) Rome (B) Alaska
(C) Messene (D) Altamira

130. Who led Kalinga war?

(A) Alexander (B) Ashoka
(C) Baber (D) Tippu Sultan

131. Among the following, who is an agriculture scientist?

(A) C. Subramianinam
(B) Norman Balgue
(C) Karan Sing
(D) V.K.R.V. Rao

132. Latest winner of world cup cricket is

(A) India
(B) Pakistan
(C) England
(D) New Zealand

133. Among the following, who is a well known historian?

(A) Das Gupta
(B) R.C. Majumdar
(C) Kirmani
(D) Balasubramanian

134. Author of the book 'Inferno'

(A) Ian Brown
(B) Dan Brown
(C) Micheal Brown
(D) Danish Brown

135. Full form of OPEC

(A) Organisation of Petroleum Exporting Countries
(B) Organisation of Petroleum Exporting Community
(C) Organisation of Petroleum Exporting Communes
(D) None of the above

136. Chairman of the new Unique Identification Authority of India (UIDAI) is

(A) Nandan Nilekani
(B) Gopalakrishnan
(C) Narayana Moorthy
(D) Azim Premji

137. Which one of the following Presidents of India graduated from the London School of Economics?

(A) V.V. Giri
(B) Neelam Sanjiv Reddy
(C) K.R. Narayanan
(D) R. Venkatraman

138. Cauvery Tribunal final award was notified on

(A) January 5, 2013
(B) February 19, 2013
(C) April 15, 2013
(D) May 10, 2013

139. Indira Gandhi National University for Women was established in 2013 in

(A) Bihar
(B) Gujarat
(C) U.P
(D) Tamil Nadu

140. The founder of AMUL is

(A) Verghese Kurien
(B) Samuel Paul
(C) Anand Mahendra
(D) D.P. Agarwal

141. Kudamkulam nuclear plant has been set up in

(A) Kerala
(B) Tamil Nadu
(C) Karnataka
(D) Gujarat

142. The Chairman of 13th Finance Commission of India was

(A) Dr. Vijay Kelkar
(B) Dr. C. Rangarajan
(C) Dr. M. Govind Rao
(D) Dr. Atul Sharma

143. The author of the book "India 2020: A vision for the millennium" is

(A) P.R. Bramanandha
(B) Manmohan Singh
(C) Y.S. Rajan
(D) A.P.J. Abdul Kalam and Y.S. Rajan

144. The India-Sri Lanka Free Trade Agreement was signed in

(A) 1991
(B) 1995
(C) 1998
(D) 1999

145. Kerala Forest Research Institute (KFRI) is located in

(A) Thrissur District
(B) Thiruvananthapuram District
(C) Ernakulam District
(D) Kannur District

146. The top crust of the Earth is

(A) lithosphere
(B) hemisphere
(C) keltosphere
(D) None of the above

147. Who was Harrold Wilson?

(A) British Prime Minister
(B) US President
(C) President of Italy
(D) Commander of US force

148. What was founded by Thomas Lord in England?

(A) Lords cricket ground in London
(B) Lords foot ball ground in London
(C) Lords boxing ring in London
(D) None of the above

149. The main office of Indian Statistical Institute is located at

(A) Chennai
(B) Mumbai
(C) Kolkotta
(D) Delhi

150. Algeria is located in which continent?

(A) Australia
(B) Asia
(C) Africa
(D) America

***

SPACE FOR ROUGH WORK

SPACE FOR ROUGH WORK

SEAL