

1. Which of the following will be true for both monopoly and monopolistic competition in the short run?

- (1) Price is greater than marginal revenue.
- (2) Price is equal to marginal revenue.
- (3) Price is equal to marginal cost.
- (4) Price is equal to average cost.

2. Consider the following matrix which describes the respective strategies and the corresponding pay-offs of firms A and B operating in a duopoly:

		Firm B	
		Advertise	Don't Advertise
Firm A	Advertise	11, 6	16, 0
	Don't Advertise	7, 9	20, 2

Which of the following statement(s) is/are true for the above game?

Select the correct answer from the codes given below:

- (a) Firm A has no dominant strategy.
- (b) Firm B has a dominant strategy.
- (c) The game has a Nash equilibrium.
- (d) Neither Firm A nor Firm B has a dominant strategy.

Code:

- (1) (a), (c)
- (2) (b), (c)
- (3) (d) Only
- (4) (a), (b) and (c)

3. In the context of oligopoly, consider the following statements:

- (a) Cournot's equilibrium is a Nash equilibrium.
- (b) Stackelberg equilibrium is a Nash equilibrium.

Select the correct answer from the code given below:

- (1) Only (a)
- (2) Only (b)
- (3) Both (a) and (b)
- (4) Neither (a) nor (b)

4. Match List – I with List – II and point out the correct answer from the codes below:

List - I (Concept)	List - II (Economist)
(a) Profit as a dynamic surplus	(i) J. Schumpeter
(b) Profit as reward for innovation	(ii) M. Kalecki
(c) Profit as reward for uncertainty bearing	(iii) F.H. Knight
(d) Profit arise due to monopoly power enjoyed by the producers	(iv) J.B. Clark

Code:

- (a) (b) (c) (d)
- (1) (ii) (i) (iii) (iv)
- (2) (iv) (i) (iii) (ii)
- (3) (iv) (ii) (iii) (i)
- (4) (iii) (iv) (ii) (i)

5. When the marginal cost is equal to average cost, the slope of the average cost is:

- (1) positive
- (2) negative
- (3) zero
- (4) infinite

6. For the function  $Q = A \cdot K^\alpha \cdot L^\beta$ , which of the following is correct?

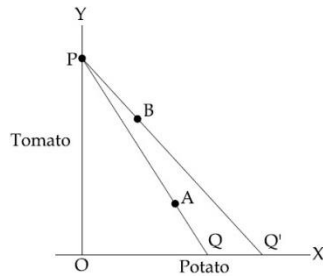
- (1) The degree of homogeneity is 1
- (2) Elasticity of substitution is equal to  $\alpha + \beta$
- (3) Output elasticity with respect to capital is  $\alpha$
- (4) Marginal product of a factor = Average product of the factor

7. When an information asymmetry is observed after an agreement is obtained between individuals, it is called:

- (1) Signalling
- (2) Moral hazard
- (3) None of the above
- (4) Both (1) and (2) above

8. In the given diagram, after the price change, the price line shifts from PQ to PQ'. And consumer

comes to equilibrium at point B instead of point A. Then what is true for potatoes?



- (1) It is a normal good.
- (2) It is an inferior good.
- (3) It is a Giffen good.
- (4) Nothing can be said about the nature of the good.

9. Which amongst the following is a correct description of inverse demand function?

- (1)  $p=f(D)$
- (2)  $D=f(p)$
- (3)  $D=f(1/p)$
- (4)  $p=f(D, 1/y)$

Where  $p$ =price,  $D$ =demand and  $y$ =income.

10. The first fundamental Theorem of Welfare Economics requires:

- (1) that there be an efficient market for every commodity.
- (2) that the economy operates at some point on the utility possibility curve.
- (3) producers and consumers to be price takers.
- (4) All of the above.

11. The Theory in which trade cycle is generated due to excess of actual over the desired investment has been given by who amongst the following?

- (1) R.G. Hawtry
- (2) F. Hayek
- (3) P. Samuelson
- (4) J. Schumpeter

12. Consider the following statements:

- (a) 'Liquidity trap' is a situation when people prefer to hold money rather than investing it.
- (b) 'Liquidity preference' is the situation when people prefer to invest money rather than hold it.
- (c) 'Liquidity crunch' is a situation of short supply of money in the money market.
- (d) 'Credit crunch' is a situation of short supply of money in the loan market.

Select the correct statements using the code given below:

- (1) (a), (b) and (d)
- (2) (a), (c) and (d)
- (3) (b), (c) and (d)
- (4) (a), (b) and (c)

13. 'Menu costs' in relation to inflation refers to:

- (1) Cost of revaluing currency.
- (2) Cost of altering price lists.
- (3) Cost of the maintenance of monetary base.
- (4) Cost of finding better rates of return.

14. According to M. Friedman, Quantity Theory of Money is the theory of:

- (1) Value of money
- (2) Price determination
- (3) Nominal income
- (4) Demand for money

15. Gilt - edged market means:

- (1) Bullion Market
- (2) Market of pure metals
- (3) Market of government securities
- (4) Market of commodities

16. Which of the following is likely to be most inflationary in its impact?

- (1) Repayment of public debt
- (2) Borrowings from the public to finance a budget deficit
- (3) Borrowings from banks to finance a budget deficit
- (4) Creating new money to finance a budget deficit

17. Consider the following statements regarding the Marginal Standing Facility (MSF).

- (a) MSF is on the line of the existing LAF and is part of it.
- (b) MSF is a costlier route than Repo.
- (c) MSF functions as the last resort for Banks to borrow short term funds.
- (d) MSF is linked to the net demand and time liabilities of the Banks.

Choose the correct code given below.

- (1) (b), (c) and (d)
- (2) (a), (b) and (c)
- (3) (a), (c) and (d)
- (4) (a), (b), (c) and (d)

18. "The absorption approach" of analyzing balance of payments was formulated by:

- (1) M. Friedman
- (2) Marshall and Lerner

(3) Sydney Alexander

(4) Haberler

19. Which amongst the following is not correctly matched with regard to balance of payments account?

Item	Nature
(1) Import of goods and services	Debit in current account
(2) Receipt of transfer payments	Credit in the current account
(3) Direct investment receipts	Credit in the capital account
(4) Portfolio investment redemption	Debit in the current account

20. Prebisch – singer hypothesis relates to:

(1) Balance of payments problem of developing countries.

(2) Terms of trade of developing countries.

(3) Prevalency of poverty among developing countries.

(4) Inequality of income in developing countries.

21. Which of the following statement about the India's balance of payments is not correct?

(1) If a foreign citizen deposits some money in a bank in India, the accounts regard this as a credit.

(2) The current account balance shows only the balance for the trade in goods and services combined.

(3) Allowing for errors and omissions, the accounts always balance.

(4) If the country's reserves of foreign currencies increase then there is a minus sign for this entry.

22. Let elasticity of demand for exports for a certain country be  $e_x$  and elasticity of demand for imports be  $e_m$ . Assume that the country devalues its currency. Its balance of payments will almost certainly show an improvement if:

(1)  $e_x + e_m > 1$

(2)  $e_x + e_m < 1$

(3)  $e_x + e_m = 1$

(4)  $e_x = e_m = 1$

23. Which of the following would cause Rupee to depreciate against U.S. Dollar, other things being equal?

(1) A rise in interest rates in India.

(2) A fall in incomes in U.S.A.

(3) An expected rise in the external value of rupee.

(4) An increased flow of foreign investment into India.

24. According to Mercantilists, trade is a:

(1) Positive sum game

(2) Infinite sum game

(3) Zero sum game

(4) Negative sum game

25. The result of incomplete specialization in production when a country faces:

(1) constant opportunity costs

(2) decreasing opportunity costs

(3) increasing opportunity costs

(4) indeterminate opportunity costs

26. Tax buoyancy is expressed as:

$$(1) E_{TY}^b = \frac{\Delta T^b}{\Delta Y} \times \frac{Y}{T^b}$$

$$(2) E_{TY}^b = \frac{\Delta Y}{\Delta T^b} \times \frac{T^b}{Y}$$

$$(3) E_{TY}^b = \frac{\Delta Y}{\Delta T^b} \div \frac{T^b}{Y}$$

$$(4) E_{TY}^b = \frac{\Delta T^b}{\Delta Y} \div \frac{Y}{T^b}$$

Where,  $E_{TY}^b$  = Buoyancy of tax revenue to income

$T^b$  = Total Tax revenue

$\Delta T^b$  = Change in total tax revenue

$Y$  = Income

$\Delta Y$  = Change in income

27. Income tax is generally based on the principle of:

(1) Benefit received principle

(2) Ability to pay principle

(3) Willingness to pay principle

(4) None of these

28. Which method can help in obtaining a welfare improvement if externalities exist?

(1) Regulation

(2) Assigning property rights and permitting bargaining

(3) Pigovian taxes

(4) All of the above

29. Which of the following is a capital receipts in the Government budget?

(1) Interest receipts on loans given by the Government to other parties.

(2) Dividend and profit of public enterprises.

(3) Borrowings of the government from the public.

(4) Property tax receipts.

30. Which amongst the following would be most effective in mitigating the effect of externalities?

- (1) Fiscal policy
- (2) Regulation of monopoly
- (3) Active monetary policy
- (4) Freeing the markets

31. Maximum social advantage is achieved when:

- (1) Total Social Sacrifice=Total Social Benefits
- (2) Marginal Social Sacrifice=Marginal Social Benefits
- (3) Net Social Sacrifice=Net Social Benefits
- (4) Average Social Sacrifice=Average Social Benefits

32. Statutory incidence of a tax deals with:

- (1) the person(s) legally responsible for paying the tax.
- (2) the amount of revenue left over after taxes.
- (3) the amount of taxes paid after accounting for inflation
- (4) the amount of tax revenue generated after a tax is levied.

33. The relationship described by the Expectations – Augmented Phillips curve is correct in which of the following?

- (1) Only in the long run.
- (2) Only in the short run.
- (3) Both in the short run and in the long run.
- (4) Neither in the short run nor in the long run.

34. Non Accelerating Inflation Rate of Unemployment (NAIRU) means:

- (1) a rate of unemployment for which the change in the rate of inflation is zero.
- (2) a rate of inflation which makes the rate of unemployment zero.
- (3) a rate of inflation for which the change in the rate of unemployment is zero.
- (4) a rate of unemployment which is equal to the rate of inflation.

35. New Keynesians use which of the following to explain price and wage stickiness?

- (1) Staggered labour contracts
- (2) Menu Costs
- (3) Behaviour based on bounded rationality
- (4) All of the above

36. Consider the following statements:

- (a) Effective demand in a market is the demand for a product or service which occurs when purchasers are constrained in a different market.

(b) Notional demand is the demand that occurs when purchasers are not constrained in any market.

Which of the above statements is/are correct?

Answer from the code below:

- (1) Only (a) is correct
- (2) Only (b) is correct
- (3) Both (a) and (b) are correct
- (4) Neither (a) nor (b) is correct

37. For the capitalist economy, the primary objective of the New Classical Economics is to explain which of the following?

- (1) Business cycle phenomenon
- (2) Underemployment
- (3) Wage – price rigidity
- (4) Effectiveness of Government policy

38. Which of the following growth model(s) assume(s) Neutral Technical Progress?

- (1) Harrod model
- (2) Solow model
- (3) Both (1) and (2)
- (4) Neither (1) nor (2)

39. In an economy, the GDP deflator is found to be 110 for the current year. If the GDP has registered an annual growth rate of 15 percent in the same year, then, the rate of growths of real GDP will be:

- (1) 5%
- (2) 1.5%
- (3) 25%
- (4) 2.5%

40. What is the nature of equilibrium in the IS – LM model?

- (1) Stock equilibrium
- (2) Flow equilibrium
- (3) Stock and flow equilibrium
- (4) Oscillating equilibrium

41. If marginal propensity to import is 0.1 and the marginal propensity to consume is 0.7, the value of the income multiplier will be:

- (1) 1.25
- (2) 2.33
- (3) 2.5
- (4) 3.33

42. According to neo-classical theory of distribution, constancy in the wage share in national income would come about only when the elasticity of factor substitution:

- (1) is less than one
- (2) is equal to one
- (3) is zero

(4) is greater than one

43. Which amongst the following is not a feature of J.E. Meade's model?

- (1) Perfect competition prevails.
- (2) Economy produces consumption goods and producer goods.
- (3) Perfect substitution is possible between consumption and capital goods.
- (4) It examines the relationship between the growth rate of population and growth rate of savings.

44. Consider the following production function forms with a technical progress term  $A(t)$ .

- (a)  $Q = f(K_t, A(t) \cdot L_t)$
- (b)  $Q = f(A(t) \cdot K_t, L_t)$
- (c)  $Q = A(t) f(K_t, L_t)$

Of the above which production function, with labour augmenting technology will keep the distribution of output between labour and capital as constant? Answer from the code below:

- (1) Only (a)
- (2) Both (a) and (b)
- (3) Only (c)
- (4) Both (a) and (c)

45. Which of the following statements about the AK model ( $Y = AK$ ) of growth is false?

- (1) This is a part of endogenous growth theories.
- (2) The model assumes that an increase in the physical stock of capital will shift the production function upwards.
- (3) The model assumes diminishing returns to capital.
- (4) The model suggest that if the level of investment is higher than depreciation, there would be sustained growth.

46. Which of the following is not a correct feature for the absolute convergence to hold good?

- (1) Same population growth rate
- (2) Same savings propensity
- (3) Same capital – labour ratio
- (4) Different capital – labour ratio

47. In Solow's growth model, the output per capita is a function of:

- (1) Labour – Output ratio
- (2) Capital – Output ratio
- (3) Technical progress
- (4) Capital – Labour ratio

48. Dusenberry was of the opinion that less developed countries will have serious and

adverse effect on their balance of payments due to:

- (1) demonstration effect
- (2) multiplier effect
- (3) backwash effect
- (4) spread effect

49. Leibenstein in his critical minimum effort thesis treats population as a factor that is:

- (1) Income – generating
- (2) Investment – inducing
- (3) Income – depressing
- (4) Market – expanding

50. 'Workers must own the capital to which their savings has given rise.' This is an important assumption of the growth model, developed by:

- (1) L. Pasinetti
- (2) N. Kaldor
- (3) R. Solow
- (4) J.E. Meade

51. Which one of the following is true for demand side vicious circle of poverty?

- (1) Low income -> Low demand -> Low investment -> Capital deficiency -> Low productivity -> Low income
- (2) Low productivity -> Low income -> Low savings -> Low investment -> Capital deficiency
- (3) Low income -> Low investment -> Low demand -> Low Capital deficiency
- (4) Low demand -> Low saving -> Low productivity -> Low investment -> Capital deficiency

52. Which of the following is the cause of disequilibrium between warranted rate of growth and actual rate of growth in the Harrod model?

- (1) Discrepancy between Ex-ante investment and Ex-post investment.
- (2) Discrepancy between Ex-ante investment and Ex-ante savings.
- (3) Discrepancy between Ex-ante savings and Ex-post savings.
- (4) Discrepancy between Ex-post investment and Ex-post savings.

53. Which one of the following committees recommended to establish the National Bank for Agriculture and Rural Development (NBARD) in India?

- (1) Narsimham Committee
- (2) Chakravarti Committee
- (3) Abhijit Sen Committee



(4) Shivaraman Committee

54. Which of the following option(s) is/are true for National Action Plan for Climate Change?

(1) It was launched in 2008

(2) It has 8 vertical missions for pollution control.

(3) Both (1) and (2) are true

(4) Neither (1) nor (2) is true

55. Which one of the following schemes is not included in the Rashtriya Krishi Vikas Yojana (RKVY)?

(1) National Mission for Protein Supplements

(2) Saffron Mission

(3) Accelerated Fodder Development Programme

(4) All of the above

56. Which of the following is portrayed in the population pyramid of a country?

(1) Rural – urban distribution of population

(2) Young – old distribution of population.

(3) Age and sex distribution of population.

(4) Gender distribution of population.

57. In the long period, which one of the following curves would aptly represent the time path of population for a developing economy?

(1) Exponential curve

(2) Logistic curve

(3) Lorenz curve

(4) Hyperbolic curve

58. Identify the correct statement about the relationship between total fertility rate and gross reproduction rate.

(1)  $TFR < GRR$

(2)  $TFR = GRR$

(3)  $TFR > GRR$

(4) All of the above

59. Which of the following is often referred to as the 'hedonic price' method for valuing environmental assets?

(1) Using linkages between variations in-house prices and geographical proximity to an environmental asset.

(2) Using 'existence value' to estimate the value of an environmental asset.

(3) Using travel costs to estimate the value of an environmental asset.

(4) Using 'willingness to pay' to value an environmental asset.

60. Which of the following is not a scheme for the upliftment of women in India?

(1) Beti Bachao, Beti Padhao

(2) Sukanya Samridhi Yojana

(3) Gender Budgeting

(4) UJALA Scheme

61. In the context of doubling of farmers income objective, which of the following is not correct?

(1) The target year is 2022 – 23.

(2) It is real income which is to be doubled.

(3) Income from cultivation alone is to be doubled.

(4) Diversification of agriculture is to be promoted to achieve this objective.

62. Which one of the following statements is correct?

(1) Global warming is simply another term for greenhouse effect.

(2) Global warming is an entirely natural phenomenon.

(3) Global warming means melting down of glaciers.

(4) Global warming is the rise in average temperature at earth's surface.

63. According to Economic Survey 2017 – 18, the Indian economy is becoming more formalised. This is indicated by which of the following shifts? Select the correct answer from the codes given below:

(a) The introduction of GST has brought more firms in the indirect tax net.

(b) After demonetisation, a significant increase has taken place in the number of individuals filing income tax returns.

(c) An increase in savings in the formal financial sector.

Code:

(1) (a) and (b)

(2) Only (c)

(3) (a), (b) and (c)

(4) (b), (c)

64. Which of the following statements are correct regarding Finance Commission in India?

(a) Finance commission is constituted under Article 275 of the Constitution.

(b) The provision for Grants-in-aids to the states are provided for under Article 280.

Which of the above statement(s) is/are correct. Choose the correct answer from the codes given below:

(1) Only (a)

(2) Only (b)

(3) Both (a) and (b)

(4) Neither (a) nor (b)

65. The share of agriculture in the GDP of India has declined over the years. Which of the following is not a correct reason for this?

(1) Relatively faster rate of growth of non-agricultural sectors in the economy.

(2) Stagnant or slow rise in yield of agriculture commodities.

(3) Educated rural youths are not opting for agriculture as an occupation.

(4) Low value addition in case of agricultural commodities.

66. In the last decade, which one among the following sectors has attracted the highest Foreign Direct Investment (FDI) inflow into India?

(1) Telecommunication sector

(2) Defence sector

(3) Service sector

(4) Insurance sector

67. In the context of the 'twin balance sheet problem' in India, consider the following statements:

(a) Over leveraged corporate debt.

(b) High Non-Performance Assets of nationalised banks.

(c) High fiscal deficit.

Select the correct answer from the codes given below:

(1) (a) and (c)

(2) (a) and (b)

(3) (b) and (c)

(4) (a), (b) and (c)

68. In 2016 – 2017 the Centrally Sponsored Schemes (CSS's) were restructured by the Government of India. Select the correct statements related to the restructuring, using the codes given below:

(a) The decision of restructuring was taken by the Governing Council of the NITI Aayog.

(b) This will avoid overlapping of expenditure and provide visibility and impact to the CSS's.

(c) The CSS's have been classified into flagship and extra flagship categories.

(d) The existing number of the CSS's is 37.

Code:

(1) (a), (b), (c) and (d)

(2) (b), (c) and (d)

(3) (a) and (b)

(4) (a), (b) and (c)

69. As per census 2011, rank the following states in descending order of degree of urbanisation.

(a) Tamil Nadu

(b) Maharashtra

(c) Goa

(d) Punjab

Select the correct answer from the codes given below:

(1) (b), (a), (d), (c)

(2) (c), (a), (b), (d)

(3) (a), (c), (d), (b)

(4) (d), (b), (a), (c)

70. As on 31st, March 2017, external debt of India was in which of the following range as a percentage of GDP?

(1) 14 to 16 percent

(2) 16 to 18 percent

(3) 18 to 20 percent

(4) 20 to 22 percent

71. In relation to considerations of demographic dividend, there appears to be

'demographic dualism' exhibited by the Indian states. In this regard consider the following factors:

(a) Total Fertility Rate

(b) Sex Ratio

(c) Per capita income

Of the above, which factor(s) is/are correct.

Answer from the codes below:

(1) Only (a)

(2) Both (a) and (b)

(3) Both (b) and (c)

(4) Only (b)

72. Arrange the following events in the Indian economy in chronological order:

(a) First phase of nationalisation of 14 Banks

(b) Establishment of Narshimhan Committee I on Banking system

(c) Enactment of FEMA Act

(d) Establishment of EXIM Bank of India

Code:

(1) (a), (c), (d), (b)

(2) (a), (d), (b), (c)

(3) (a), (c), (b), (d)

(4) (a), (d), (c), (b)

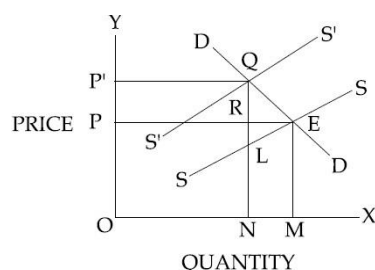
73. Which amongst the following pairs is not correctly matched?

(Concept)

(Organization)

(1) Gender Development Index	UNDP
(2) Ease of Doing Business	World Bank
(3) Inclusion Index	World Economic Forum
(4) World Hunger Index	United Nations

74. Consider the following diagram which shows the production of a commodity under the condition of increasing cost. If a unit tax is imposed on the commodity, what will be the amount of the burden of the tax on the buyers?



- (1) NL
- (2) LQ
- (3) LR
- (4) RQ

75. Which of the following statement(s) is/are true?

- (a) a common resource is rival and non-excludable.
- (b) a public good is non-rival and non-excludable.

Select the correct answer from the codes given below:

- (1) Both (a) and (b)
- (2) Only (a)
- (3) Only (b)
- (4) Neither (a) and (b)

76. Arrange the following books in chronological order of their publication. Select the correct answer from the codes given below:

- (a) The Affluent Society
- (b) Asian Drama
- (c) The General Theory of Employment, Interest and Money
- (d) Development as Freedom

Code:

- (1) (c), (b), (a), (d)

- (2) (c), (a), (b), (d)

- (3) (a), (b), (c), (d)

- (4) (d), (c), (b), (a)

77. Market failure can occur because of:

- (1) Imperfect competition
- (2) Externalities
- (3) Both (1) and (2)
- (4) Neither (1) nor (2)

78. Capital gains means:

- (1) An increase in the value of an asset.
- (2) An increase in the stock of capital.
- (3) An increase in the yield of an asset.
- (4) An increase in the amount of foreign capital.

79. Palma ratio is a measure of:

- (1) Inequality of income
- (2) Stock market volatility
- (3) Morbidity in a region
- (4) Volatility of crop prices

Questions 80 to 84 are Assertion (A) and Reason (R) type. Key to these questions is as follows:

- (1) Both (A) and (R) are true and (R) is the correct explanation of (A).
- (2) Both (A) and (R) are true, but (R) is not the correct explanation of (A).
- (3) (A) is true, but (R) is false.
- (4) (A) is false, but (R) is true.

80. (A): In Solow's growth model under equilibrium conditions capital labour ratio does not change.

(R): Substitution between capital and labour is possible.

81. (A): International trade along the lines of comparative advantage improves the allocative efficiency of existing resources.

(R): International trade is an engine of growth.

82. (A): The production possibility Frontier can be a straight line.

(R): The factors are not specialised and can be substituted at no extra cost.

83. (A): Devaluation results in expenditure switching in an economy.

(R): Devaluation alters the composition of the current account of the balance of payments.

84. (A): External forces are of singular importance to economic activities of the developing states.



(R): Relations between the dominant and dependent states are dynamic to reinforce unequal pattern.

85. Given the Demand function of a consumer  $D=10-2p$ , the consumer's surplus at price=2 is:

- (1) 2
- (2) 10
- (3) 9
- (4) 15

86. Total cost function of a producer is  $C=10+5Q+2Q^2$ . If price is 15, what is marginal cost of the producer in equilibrium?

- (1) 10
- (2) 5
- (3) 15
- (4) 4

87. Which of the following is condition of economic viability and technological feasibility of Leontief's static system?

- (1) Marshall – Edgeworth conditions
- (2) Kuhn – Tucker conditions
- (3) Hawkins – Simon conditions
- (4) Value of the objective function of primal problem should equal the value of the objective function of the dual of the primal

88. Simplex method of solving Linear Programming problems was developed by:

- (1) Koopmans
- (2) Dantzig
- (3) Leontief
- (4) Solow

89. A bag contains 5 red, 7 white and 3 green balls. One ball is randomly drawn from the bag. What is the probability that it is green?

- (1) 12/15
- (2) 1/5
- (3) 7/15
- (4) 1/3

90. If a sample survey of the same 100 households is conducted in a particular village, annually for five years, the data so collected will be described as:

- (1) Time Series Data
- (2) Cross-section Data
- (3) Panel Data
- (4) Pooled Time Series and Cross-section Data

91. If in a distribution mean is 40, mode is 60 and the standard deviation is 10, then the coefficient of skewness will be:

- (1) -2

- (2) 2

- (3) -20

- (4) 5

92. In a multiple linear regression with 4 independent variables, the overall regression's significance is to be tested. Which test would be used?

- (1) Z test
- (2) F test
- (3)  $\chi^2$  test
- (4) t test

93. If a sample of 100 is to be taken from a population of 1000 farmers consisting of marginal small and large farmers, which of the following will be the most appropriate sampling method?

- (1) Simple random sampling
- (2) Cluster sampling
- (3) Stratified random sampling
- (4) Systematic sampling

94. Which of the following statements are valid concerning a recursive system?

- (a) The parameters can be validly estimated using separate application of OLS to each equation.
- (b) The independent variables may be correlated with the error terms in other equations.

Code:

- (1) (a) only
- (2) (b) only
- (3) Both (a) and (b)
- (4) Neither (a) nor (b)

Show Answer

95. Match the following lists and select the correct answer from codes below:

List - I	List - II
(a) Contingency Table	(i) Stationarity
(b) Unit root test	(ii) Causality
(c) Fisher's F test	(iii) $\chi^2$ test
(d) Granger test	(iv) Test of significance of over-all regression

Code:

- (a) (b) (c) (d)
- (1) (iii) (i) (iv) (ii)

(2) (i) (ii) (iii) (iv)

(3) (iv) (iii) (ii) (i)

(4) (ii) (iii) (i) (iv)

96. Generalized Least Squares method of estimation will not be suitable for dealing with which of the following problems:

- (a) Autocorrelated disturbances
- (b) Heteroscedastic disturbances
- (c) Multicollinearity
- (d) Errors in variables

Code:

- (1) (a) only
- (2) (b) only
- (3) (c) and (d)
- (4) (a) and (b)

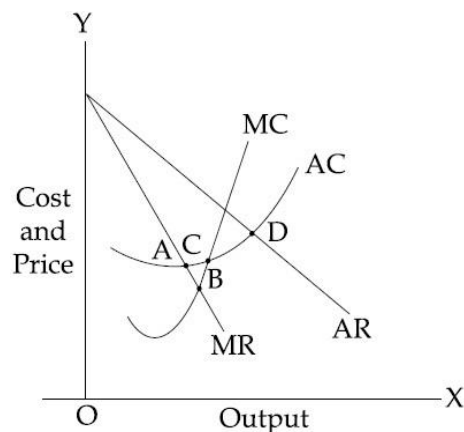
97. Match List – I with List – II and select the correct answer from the codes given below:

List - I	List - II
(Growth Model)	(Equation)
(a) Solow	(i) $\frac{\Delta N}{N} = \frac{\Delta K}{K}$
(b) Domar	(ii) $Gw.Cr=s$
(c) Joan Robinson	(iii) $sf(k)=(\delta+n)k$
(d) Harrod	(iv) $\frac{\Delta I}{I} = \alpha \sigma$

Code:

- (a) (b) (c) (d)
- (1) (iii) (iv) (i) (ii)
- (2) (iv) (ii) (iii) (i)
- (3) (iii) (i) (ii) (iv)
- (4) (ii) (iv) (iii) (i)

98. In the adjacent diagram, Government should fix the price at which of the following points to make monopoly result in a socially optimal outcome?



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

99. If the producer pays the price for each of the inputs that is used is equal to its value of Marginal product, then which one of the following does he earn?

- (1) Zero supernormal profit
- (2) Monopoly profit
- (3) Positive supernormal profit
- (4) Negative supernormal profit

100. Which of the following is not correctly matched for Union Budget 2018 – 19, announced on 01.02.2018?

	(As % of GDP)
(1) Fiscal Deficit	3.5
(2) Revenue Deficit	2.2
(3) Primary Deficit	1.2
(4) Effective Revenue Deficit	0.3

Answer Key:-

Q. No.	Answer	Q. No.	Answer
1	1	51	1
2	4	52	1
3	3	53	4
4	2	54	3
5	3	55	9
6	3	56	3
7	2	57	2
8	3	58	3
9	1	59	1
10	4	60	4
11	2	61	3
12	2	62	4
13	2	63	3
14	4	64	4
15	3	65	3
16	4	66	3
17	1	67	2
18	3	68	3
19	4	69	2
20	2	70	4
21	2	71	1
22	1	72	2
23	2	73	4
24	3	74	4
25	3	75	1
26	1	76	2

27	2	77	3
D	4	78	1
29	3	79	1
30	1	80	1
31	2	81	2
32	1	82	1
33	1	83	1
34	1	84	2
35	4	85	3
36	3	86	3
37	1	87	3
38	3	88	2
39	1	89	2
40	3	90	3
41	3	91	1
42	2	92	2
43	4	93	3
44	1	94	3
45	3	95	1
46	3	96	3
47	4	97	1
48	1	98	3
49	3	99	1
50	1	100	1