Test Booklet No **193447**

HIGHER EDUCATION DEPARTMENT, GOVT. OF ODISHA

TEST BOOKLET

Subject Code : **51**

Entrance Subject : **ECONOMICS**

Time Allowed: 90 Minutes

Full Marks : 70

INSTRUCTIONS TO CANDIDATES

1. **Please do not open this Question Booklet until asked to do so.**

2. Check the completeness of the Question Booklet immediately after opening.

3. Enter your **Hall Ticket No.** on the Test Booklet in the box provided alongside. **Do not write** anything else on the Test Booklet.

4. Fill up & darken Hall Ticket No. & Test Booklet No. in the Answer Sheet as well as fill up Test Booklet Serial No. & Answer Sheet Serial No. in the Attendance Sheet carefully. Wrongly filled up Answer Sheets are liable for rejection.

5. Each question has four answer options marked (A), (B), (C) & (D).

6. Answers are to be marked on the Answer Sheet, which is provided separately.

7. Choose the most appropriate answer option and darken the oval completely, corresponding to (A), (B), (C) or (D) against the relevant question number.

8. Use only **Blue/Black Ball Point Pen** to darken the oval for answering.

9. Please do not darken more than one oval against any question, as scanner will read such markings as wrong answer.

10. **Each question carries equal marks. There will be no negative marking for wrong answer.**

11. **Electronic items such as calculator, mobile, etc., are not permitted inside the examination hall.**

12. *Don't leave the examination hall until the test is over and permitted by the invigilator.*

13. **The candidate is required to handover the original OMR sheet to the invigilator and take the question booklet along with the candidate's copy of OMR sheet after completion of the test.**

14. Sheet for rough work is appended in the Test Booklet at the end.

1. Demand curve of monopoly is

    (A) Upward sloping

    (B) Downward sloping

    (C) Vertical straight line

    (D) Horizontal straight line

2. The shape of average fixed cost curve is

    (A) Straight line

    (B) Nonlinear

    (C) Parabola

    (D) Hyperbola

3. Supply of money in India is determined by

    (A) State Bank

    (B) Reserve Bank

    (C) UCO Bank

    (D) Cooperative bank

4. World Trade Organisation replaced

    (A) EEC

    (B) UNCTAD

    (C) SAARC

    (D) GATT

5. Laissez- faire policy was advocated by

    (A) Karl Marx

    (B) Ricardo

    (C) Adam Smith

    (D) Keynes

6. GST stands for

    (A) Gross Sales Tax

    (B) Gross Service Tax

    (C) Goods and Service Tax

    (D) Goods Sales Tax

7. Father of green revolution is

    (A)   M.S Swaminathan

    (B)   A.K.Sen

    (C)   Kurien

    (D)   L.K.Jha

8. In case of perfect competition, Consumer exploitation is

    (A)   Zero

    (B)   25%

    (C)   50%

    (D)   75 %

9. Concept of under-employment equilibrium was developed by

    (A)   Adam Smith

    (B)   D. Ricardo

    (C)   J.B. Say

    (D)   J.M. Keynes

10. NREGA is a

    (A)   Wage employment programme

    (B)   Self Employment Programme

    (C)   Urban Employment programme

    (D)   None of the above11. IS curve represents :

11. IS curve represents :

    (A)   Goods Market Equilibrium

    (B)   Money Market Equilibrium

    (C)   Bond Market Equilibrium

    (D)   Labour Market Equilibrium

12. $\chi 2$ (chi-square) test is used to test

    (A)   Analysis of variance

    (B)   Association between the qualitative variables

    (C)   Difference between means of two distributions drawn from the same population.

    (D)   Difference between the means of two distributions drawn from different population.

13. The concept of vicious circle of poverty is associated with

    (A)   J.M. Keynes

    (B)   Ragner Nurkse

    (C)   Karl Marx

    (D)   J.S. Mill

14. Which of the following are relevant in Zero Base Budgeting ?

I. Each item of expenditure is challenged in pre-budget review.

II. No minimum level of expenditure is allowed to be taken as given.

III. Expenditure of each item is increased marginally.

IV. Most item of expenditure is taken for granted when budget is prepared for the next year.

Codes :

    (A)   I and III are correct.

    (B)   I, II and IV are correct.

    (C)   I and II are correct.

    (D)   I, III and IV are correct.

15. Coefficient of correlation is independent of

    (A)   Change of Origin

    (B)   Change of Scale

    (C)   Both change of Origin and Scale

    (D)   None of the above

16. For heterogeneous population, the most suitable sampling method is

    (A)   Simple Random Sampling

    (B)   Stratified Random Sampling

    (C)   Systematic Sampling

    (D)   Purposive Sampling

17. During the planning period, highest growth rate was achieved during

    (A)   Eighth plan

    (B)   Tenth plan

    (C)   Ninth plan

    (D)   Seventh plan

18. Which of the following measures of central tendency is best to use if the data relate to rates, proportions and ratios ?

(A) Arithmetic mean

(B) Median

(C) Harmonic mean

(D) Geometric mean

19. The most popular definition of sustainable development is given by

(A) World Development Report

(B) UNDP Report

(C) Brundtland

(D) IMF Report

20. In the Paul Sweezy Model of Oligopoly in the Kinked Demand Curve, the point of kink represents

(A) Quantity Rigidity

(B) Price Rigidity

(C) Both the Price and Quantity Rigidity

(D) Only Price Rigidity

21. "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

22. 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.

23. The numerical value of balanced budget multiplier is :

   (A) 1

   (B) 0

   (C) Less than 1 but more than zero

   (D) Varies between 0 to ∞

24. 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

25. At the point of tangency between short- run average total cost and longrun average cost, the short-run marginal cost

   (A) greater than long-run marginal cost

   (B) less than long-run marginal cost

   (C) is far above long-run marginal cost

   (D) equals long-run marginal cost

26. Inverted 'U' shaped income distribution hypothesis is associated with

   (A) J.B. Clark

   (B) David Ricardo

   (C) Simon Kuznets

   (D) Adam Smith

27. Which of the following is true with respect to the monetary approach to the balance of payments ?

   (A) It views the balance of payments as an essentially monetary phenomenon.

   (B) A balance of payments deficit results from an excess demand of money in the nation.

   (C) A balance of payments surplus results from an excess supply of money.

   (D) Balance of payments disequilibrium are not automatically corrected in the long run.

28. The exchange rate is kept the same in all parts of the market by

    (A)   exchange arbitrage

    (B)   interest arbitrage

    (C)   hedging

    (D)   speculation

29. Random sampling implies that

    (A)   the observations are selected purposively.

    (B)   the observations are selected in a systemic manner.

    (C)   the observations are selected in an adhoc manner.

    (D)   the observations are selected in clusters

30. In a binomial distribution, the sum of mean and variance is 15 and the product of mean and variance is 54, then the number of observations (n) is equal to

    (A)   27

    (B)   30

    (C)   24

    (D)   33

31. If 'r' is the correlation coefficient and byx and bxy are the regression coefficients of the regression lines y on x and x on y respectively, then $r =$

    (A) $b_{xy} \times b_{yx}$

    (B) $\sqrt{b_{xy} / b_{yx}}$

    (C) $\sqrt{1 - b_{xy} b_{yx}}$

    (D) $\sqrt{b_{xy} \times b_{yx}}$

32. To control inflation, CRR should

    (A)   Increase

    (B)   Decrease

    (C)   Constant

    (D)   Flexible

33. Opportunity cost version of comparative cost advantage doctrine was introduced by

    (A) J.M. Keynes

    (B) Kindleberger

    (C)   Haberler

    (D)   Karl Marx

34. The unbalanced growth model was propounded first by

   a. Albert O. Hirschman

   b. H.S. Singer and Raul Prebisch

   c. Kindelberger and Ragnar Nurkse

   d. W.W. Rostow and Paul Streeten

   Codes :

   (A) a and b

   (B) a and c

   (C) a and d

   (D) a

35. Environment has

   (A) Positive externality

   (B) Negative externality

   (C) No externality

   (D) None of the above

36. The difference between largest and smallest observation in a distribution is called

   (A) Median

   (B) Range

   (C) Mean Deviation

   (D) Quartile Deviation

37. For inferior goods, income effect is

   (A) Positive

   (B) Negative

   (C) Zero

   (D) one

38. $P_{01} \times P_{10} = 1$ is required under

   (A) Unit Test

   (B) Time Reversal Test

   (C) Circular Test

   (D) Factor Reversal test

39. With perfect income equality the Gini coefficient in a country would be

    (A)   infinity

    (B)   1

    (C)   5

    (D)   0

40. Savings represents

    (A)   An injection in the circular flow of income

    (B)   Both leakages and injection

    (C)   A leakage in the circular flow of income

    (D)   None of the above

41. Which of the following is the primary function of money?

    (A)   Store of value

    (B)   Basis of the credit system

    (C)   Medium of exchange

    (D)   All of the above

42. The correlation coefficient between X and Y is 0.2. If X and Y increase by 4 times, then coefficient of correlation is

    (A)   0.6

    (B)   0.8

    (C)   0.2

    (D)   0.4

43. The mean of 10 numbers is 9. One of the number, 18, is deleted. What is the mean of the 9 numbers?

    (A)   7

    (B)   8

    (C)   9

    (D)   10

44. Which of the following is not a component of the PQLI:

    (A)   life expectancy

    (B)   per capita income

    (C)   infant mortality

    (D)   literacy

45. The determinant of the matrix $\begin{pmatrix} 2 & 0 & 0 \\ 0 & 2 & 0 \\ 0 & 0 & 2 \end{pmatrix}$ is

   (A)   1

   (B)   2

   (C)   4

   (D)   8

46. If Total Cost function is given by $C = 5X + 9$, then fixed cost is

   (A)   9

   (B)   10

   (C)   12

   (D)   14

47. If MPC = 0.5, Value of the investment multiplier is

   (A)   5

   (B)   6

   (C)   3

   (D)   2

48. If demand function is $X = 10-2P$ and supply function is $X = 4 + P$, then equilibrium price is

   (A)   6

   (B)   4

   (C)   2

   (D)   1

49. Hypothesis is a

   (A)   Universal statement

   (B)   Correct Statement

   (C)   Wrong statement

   (D)   Probable Statement

50. T test is used for

   (A)   Comparison of two sample variances

   (B)   Comparison of two Sample means

   (C)   Comparison of expected and observed values

   (D)   Comparison of two sample medians

51. The VAT is imposed

    (A) Directly on consumer

    (B) on final stage of production

    (C) on first stage of production

    (D) on all stages between production and final sale

52. Equilibrium condition of a profit maximizing firm is ·

    (A) supply equals to demand

    (B) MR equals to AC

    (C) MR equals to MC

    (D) LMR equals LAC

53. Blue Revolution is related to

    (A) space research

    (B) poultry

    (C) fisheries

    (D) drinking water

54. The rate which equates the supply price of a capital asset to its prospective yield is called

    (A) marginal efficiency of investment

    (B) the market rate of interest

    (C) marginal productivity of capital

    (D) marginal efficiency of capital

55. The algebraic sum of deviations from mean is

    (A) zero

    (B) maximum

    (C) minimum

    (D) None of the above

56. Aam Admi Bima Yojana is an insurance scheme for rural landless households introduced by

    (A) National Insurance Co.

    (B) Life Insurance Corporation of India

    (C) UTI

    (D) ICICI Life Prudential Co.

57. Nirmal Bharat Abhiyan Yojana has been announced by the Prime Minister on August 15, 2002 which is associated with

    (A)   drinking water

    (B)   extension of irrigation

    (C)   making community latrines in slums

    (D)   None of the above

58. Development expenditure of the Central Government does not include

    (A)   expenditure on social and community services

    (B)   grants-in-aid to states and Union Territories

    (C)   interest payments

    (D)   expenditure on economic services

59. Normal price is known as

    (A)   short-run equilibrium price

    (B)   long-run price

    (C)   long-run equilibrium price

    (D)   none of the above

60. What is the relationship between mean, median and mode?

    (A)   Mean- Mode= 2(Mean – Median)

    (B)   Mean- Mode= 3 (Mean – Median)

    (C)   Mean+ Mode= 3(Mean – Median)

    (D)   Mean- Mode= 2(Mean – Median)

61. If the interest rate falls, then

    (A)   bond prices will remain the same

    (B)   bond prices will rise

    (C)   bond prices will fall

    (D)   None of the above

62. If the quantity of money demanded is less than the quantity of money supplied, then the interest rate will

(A) either increase or decrease, depending on the amount of excess demand.

(B) increase.

(C) decrease.

(D) not change.

63. A firm enjoys maximum control over the price of its product under

(A) perfect competition

(B) monopoly

(C) oligopoly

(D) imperfect competition

64. - A monopolist who is selling in two markets in which demand is not identical will be unable to maximize his profits unless he

(A) sells below costs of production in both markets

(B) practices price discrimination

(C) equates the volume of sales in both markets

(D) equates marginal costs with marginal revenue in one market only

65. Revealed preference theory was developed by

(A) Boumal

(B) Hicks

(C) Adam Smith

(D) Keynes

66. When the consumer's income increases, the budget line on an indifference map moves to

(A) a parallel position to the right

(B) a parallel position to the left

(C) a parallel position to the origin

(D) None of the above

67. The most appropriate average for constructing the index is

    (A)   Arithmetic Mean

    (B)   Harmonic Mean

    (C)   Geometric Mean

    (D)   None of the above

68. MRS xy and MRS yx both will be zero where the commodity x and y are

    (A)   complement to each other

    (B)   substitutes to each other

    (C)   perfectly complementary

    (D)   imperfectly complementary

69. Indian Planning Commission was constituted in

    (A)   1948

    (B)   1949

    (C)   1950

    (D)   1951

70. 'Ogive' helps to locate

    (A)   standard deviation

    (B)   mean

    (C)   mode

    (D)   median

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