

SEAL

DO NOT OPEN THE SEAL UNTIL INSTRUCTED TO DO SO

Invigilator's signature

Question Booklet No.

630192

2018

PGT—PAPER—I : ECONOMICS

Time : 2 Hours

Maximum Marks : 100

ROLL NO.

INSTRUCTIONS FOR CANDIDATES

1. This Question Booklet contains 50 optional questions. Each question comprises four responses (answers). You will select ONLY ONE response which you consider the best and darken the bubble on the OMR RESPONSE SHEET.
2. DO NOT write your Name or anything else except Roll No. and the actual answers to the question, anywhere on the OMR RESPONSE SHEET.
3. DO NOT handle your OMR RESPONSE SHEET in such a manner as to mutilate, fold, etc.
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5. No candidate shall have in his/her possession inside the Examination Hall any book, notebook or loose paper, calculator, mobile phone, etc., except his/her admit card and other things / paper permitted by the Commission.
6. Immediately after the final bell indicating the closure of the examination, stop bubbling. Be seated till the OMR RESPONSE SHEET is collected by the invigilator, thereafter you may leave the Examination Hall.
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NB: CANDIDATES ARE ALLOWED TO TAKE THIS QUESTION BOOKLET ONLY AFTER COMPLETION OF 2 (TWO) HOURS OF EXAMINATION TIME.

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1. The cost of the best alternative forgone is referred to as
 - (A) fixed cost
 - (B) variable cost
 - (C) sunk cost
 - (D) opportunity cost
2. Positive Economics does not involve
 - (A) actual observation of economic phenomenon
 - (B) stating 'what is'
 - (C) stating 'what ought to be'
 - (D) None of the above
3. Economics has been defined as a *dismal science* by
 - (A) Thomas Carlyle
 - (B) John Maynard Keynes
 - (C) J. B. Say
 - (D) William Stanley Jevons
4. High powered money consists of
 - (A) currency held by the public
 - (B) cash reserves with the banks
 - (C) currencies held by public plus cash reserves with banks
 - (D) currencies held by public plus demand deposits
5. The rate that RBI charges from its clients for short-term borrowing is referred to as
 - (A) bank rate
 - (B) repo rate
 - (C) reverse repo rate
 - (D) base rate
6. The production possibility curve drawn on the basis of two commodities does not change, when
 - (A) resources are increased
 - (B) commodity X is produced more efficiently
 - (C) both the commodities are produced more efficiently
 - (D) a greater amount of commodity X is produced at the expense of commodity Y
7. The total utility curve increases at a diminishing rate, when
 - (A) marginal utility is increasing
 - (B) marginal utility is diminishing
 - (C) marginal utility is negative
 - (D) marginal utility is constant
8. In the theory of production the marginal product curve cuts the average product curve, when
 - (A) the average product curve is rising
 - (B) the average product curve is maximum
 - (C) the average product curve is falling
 - (D) the average product curve is negative
9. The phenomenon when monetary value of an asset decreases over time due to use, wear and tear or obsolescence, is referred to as
 - (A) appreciation
 - (B) depreciation
 - (C) devaluation
 - (D) capital loss

10. In the short-run equilibrium a firm under perfect competition can
 (A) incur losses
 (B) earn supernormal profit
 (C) earn normal profit
 (D) All of the above
11. In the short run a firm under perfect competition will close down if the price falls below the
 (A) average cost curve
 (B) marginal cost curve
 (C) average variable cost curve
 (D) average fixed cost curve
12. Product differentiation does not
 (A) create brand loyalty
 (B) give rise to a negatively sloped demand curve
 (C) rationalize selling cost
 (D) guarantee normal profit
13. Cournot's model is based on a market structure of
 (A) perfect competition
 (B) duopoly
 (C) monopoly
 (D) monopolistic competition
14. The equilibrium of a perfectly competitive labour market is established at
 (A) $MC_L = VMP_L$
 (B) $MC_L = MP_L$
 (C) $MC_L = P_X$
 (D) $MC_L = TP_L$
15. The phenomenon where the number of hours offered for work declines with successive increase in the wage rate is represented by a
 (A) right-angled supply curve
 (B) hyperbolic supply curve
 (C) backward bending supply curve
 (D) perfectly elastic supply curve
16. The following is *not* a characteristic of stock concept :
 (A) Measured at a point of time
 (B) Does not have a time dimension
 (C) Has a time dimension
 (D) Is static concept
17. The gross market value of all the final goods and services produced by the normal residents of a country during a period of one year is
 (A) gross national product at factor cost
 (B) gross domestic product at market price
 (C) gross national product at market price
 (D) gross domestic product at factor cost
18. What is *not* a character of gross domestic product at market price?
 (A) It considers the income of all citizens of the country
 (B) It is a territorial concept
 (C) It considers all the producers within the domestic territory of the country
 (D) It is inclusive of depreciation
19. Which function of money enables it to act as common denomination?
 (A) Store of value
 (B) Medium of exchange
 (C) Unit of value
 (D) Standard of deferred payment
20. An increase in the repo rate will result in
 (A) increase in the lending rates
 (B) decrease in the lending rates
 (C) no impact on the lending rates
 (D) increase in the supply of money

21. What is *not* a character of Central Bank?
 (A) Bank of Issue
 (B) Banker to the citizens
 (C) Lender of the last resort
 (D) Credit control
22. What characteristic does marginal propensity to consume represent?
 (A) It falls with successive increase in income
 (B) It is higher for the poor as compared to the rich
 (C) It ranges between 0 and 1
 (D) All of the above
23. What is *not* a component of aggregate demand?
 (A) Private consumption expenditure
 (B) Investment expenditure
 (C) Government expenditure
 (D) Net imports
24. The investment multiplier does *not* exhibit which of the following characters?
 (A) There is a direct relationship between the multiplier and the marginal propensity to consume
 (B) There is an inverse relationship between the multiplier and the marginal propensity to save
 (C) The minimum value of the multiplier is zero
 (D) The maximum value of the multiplier is infinity
25. A fall in the market price of the domestic currency in terms of foreign currency under a flexible exchange rate regime is called currency
 (A) devaluation
 (B) depreciation
 (C) revaluation
 (D) appreciation
26. The foreign exchange supply source is not constituted by
 (A) purchase of assets in foreign countries
 (B) export of goods and services
 (C) foreign investments
 (D) remittances from abroad
27. What is *not* a component of revenue expenditure in a public budget?
 (A) Expenditure on salaries and wages
 (B) Consumption of goods and services
 (C) Repayment of public debt
 (D) Interest payments
28. Total Expenditure (Net of Debt Repayment) – (Total Revenue Receipts + Non-Debt Capital Receipts) is the
 (A) budget deficit
 (B) fiscal deficit
 (C) primary deficit
 (D) revenue deficit
29. A sampling method where one unit is selected at random and then the additional units are selected at evenly spaced intervals until the sample is formed is called
 (A) cluster sampling
 (B) systematic sampling
 (C) stratified sampling
 (D) simple random sampling
30. What is *not* a measure of central tendency?
 (A) Arithmetic mean
 (B) Range
 (C) Median
 (D) Mode

31. Which of the following is also popularly known as root mean square deviation?
 (A) Quartile deviation
 (B) Standard deviation
 (C) Mean deviation
 (D) Lorenz curve
32. When the correlation coefficient is unity it is said to be
 (A) perfectly positive correlation
 (B) perfectly negative correlation
 (C) no correlation
 (D) imperfect positive correlation
33. The factor reversal test for index number is satisfied only by
 (A) Laspeyres price index
 (B) Paasche price index
 (C) Dorbish and Bowley method
 (D) Fisher's ideal index
34. The term of the Twelfth Five-Year Plan was
 (A) 2011-16
 (B) 2012-17
 (C) 2013-18
 (D) None of the above
35. What was *not* a policy reform of the New Industrial Policy, 1991?
 (A) Dereservation of industries
 (B) Delicensing of industries
 (C) Full capital account convertibility
 (D) Replacing FERA with FEMA
36. In India the highest demand for water resource was for
 (A) irrigation
 (B) domestic use
 (C) industries
 (D) energy
37. The rise in the rate of economic growth due to a rise in the share of the working age population is referred to as the
 (A) population advantage
 (B) labour force participation edge
 (C) demographic dividend
 (D) economically active population
38. Which of the following is the concept of unemployment developed by NSSO?
 (A) Usual status unemployment
 (B) Current weekly status unemployment
 (C) Current daily status unemployment
 (D) All of the above
39. The only State with a favorable sex ratio in India is
 (A) Haryana
 (B) Punjab
 (C) Goa
 (D) Kerala
40. Under tenancy reforms in Indian agriculture which of the following measures is considered?
 (A) Regulation of rent
 (B) Security of tenure
 (C) Ownership rights of tenant
 (D) All of the above
41. What among the following is *not* a WTO agreement?
 (A) Multi-fibre arrangement
 (B) TRIPs
 (C) TRIMs
 (D) FERA

42. The FRBM Act does not require the government to
- (A) attain revenue surplus
 - (B) limit fiscal deficit
 - (C) minimize the interest rate
 - (D) keep public debt within limit
43. The Chairman of the Fifteenth Finance Commission is
- (A) Y. V. Reddy
 - (B) Vijay L. Kelkar
 - (C) N. K. Singh
 - (D) C. Rangarajan
44. Which of the following is *not* an objective of the MGNREGA?
- (A) Providing manual work
 - (B) Creation of rural assets
 - (C) Generating rural income
 - (D) Establishing rural industries
45. Removal of the practice of open defecation is one of the primary objectives of
- (A) National Health Mission
 - (B) Janani Suraksha Yojana
 - (C) Pradhan Mantri Swasthya Suraksha Yojana
 - (D) Swachh Bharat Mission
46. The share of Arunachal Pradesh among States in the Fourteenth Finance Commission transfers was
- (A) 1.37%
 - (B) 7.9%
 - (C) 13.99%
 - (D) 27.21%
47. Interventions leading to the Green Revolution did not include
- (A) HYV seeds
 - (B) privatization of land
 - (C) chemical fertilizers
 - (D) irrigation
48. Which of the following is *not* a special category State?
- (A) Arunachal Pradesh
 - (B) Bihar
 - (C) Sikkim
 - (D) Assam
49. The tertiary sector's approximate contribution to the national income is around
- (A) 52%
 - (B) 63%
 - (C) 21%
 - (D) 17%
50. Which of the following entities is responsible for the regulation, development and supervision of the Indian insurance industry?
- (A) SEBI
 - (B) FEMA
 - (C) IRDA
 - (D) RBI