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(Write Roll Number from left side exactly as in the Admit Card)

Signature of Invigilators

1. _____
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0718

Question Booklet Series

Y

PAPER-II

Question Booklet No.

(Identical with OMR Answer Sheet Number)

Subject Code : 07

ECONOMICS

Time : 2 Hours

Maximum Marks: 200

Instructions for the Candidates

1. Write your Roll Number in the space provided on the top of this page as well as on the OMR Sheet provided.
2. At the commencement of the examination, the question booklet will be given to you. In the first 5 minutes, you are requested to open the booklet and verify it:
 - (i) To have access to the Question Booklet, tear off the paper seal on the edge of this cover page.
 - (ii) Faulty booklet, if detected, should be got replaced immediately by a correct booklet from the invigilator within the period of 5 minutes. Afterwards, neither the Question Booklet will be replaced nor any extra time will be given.
 - (iii) Verify whether the Question Booklet No. is identical with OMR Answer Sheet No.; if not, the full set is to be replaced.
 - (iv) After this verification is over, the Question Booklet Series and Question Booklet Number should be entered on the OMR Sheet.
3. This paper consists of One hundred (100) multiple-choice type questions. All the questions are compulsory. Each question carries *two* marks.
4. Each Question has four alternative responses marked: (A) (B) (C) (D). You have to darken the circle as indicated below on the correct response against each question.
Example: (A) (B) (●) (D), where (C) is the correct response.
5. Your responses to the questions are to be indicated correctly in the OMR Sheet. If you mark your response at any place other than in the circle in the OMR Sheet, it will not be evaluated.
6. Rough work is to be done at the end of this booklet.
7. If you write your Name, Roll Number, Phone Number or put any mark on any part of the OMR Sheet, except in the space allotted for the relevant entries, which may disclose your identity, or use abusive language or employ any other unfair means, such as change of response by scratching or using white fluid, you will render yourself liable to disqualification.
8. Do not tamper or fold the OMR Sheet in any way. If you do so, your OMR Sheet will not be evaluated.
9. You have to return the Original OMR Sheet to the invigilator at the end of the examination compulsorily and must not carry it with you outside the Examination Hall. You are, however, allowed to carry question booklet and duplicate copy of OMR Sheet after completion of examination.
10. **Use only Black Ball point pen.**
11. **Use of any calculator or mobile phone etc. is strictly prohibited.**
12. **There are no negative marks for incorrect answers.**

[Please Turn Over]

ECONOMICS

PAPER II

1. Which of the following is not a source of state revenue?

- (A) Taxes on agriculture
- (B) Taxes on road vehicles
- (C) Taxes on advertisement and sale of goods
- (D) Taxes on income

2. The industrial sector in India consists of the following subsectors:

- (A) Manufacturing, Mining and Communication
- (B) Manufacturing, Electricity and Transport
- (C) Manufacturing, Communication and Transport
- (D) Manufacturing, Electricity, Gas and Water supply

3. Pradhanmantri Bharat Jodo Pariyojona is related to

- (A) Tele-Communication
- (B) Social Integration
- (C) Linking of Rivers
- (D) Development of Highways

4. In Friedman's Permanent Income Hypothesis, transitory income can be positive or negative, which occurs on account of

- (A) long-term changes in income.
- (B) temporary and unanticipated changes in current income.
- (C) income remaining unchanged.
- (D) long-term changes in relative prices.

5. Match the following from *List I* to *List II*:

<i>List-I</i>	<i>List-II</i>
(i) Granger Test	1. Heteroscedasticity
(ii) Chow Test	2. Causality
(iii) Breusch Pagan Test	3. Stability
(iv) Phillips-Perron Test	4. Stationarity

Codes

	(i)	(ii)	(iii)	(iv)
(A)	1	2	3	4
(B)	2	3	1	4
(C)	3	2	4	1
(D)	4	1	2	3

6. Characteristic roots of $A = \begin{pmatrix} 1 & -1 \\ -1 & 1 \end{pmatrix}$ are

- (A) 1, 0
- (B) 1, 1
- (C) 2, 0
- (D) -1, 1

7. Neo-Classical production function has which of the following characteristics?

- (1) Constant returns to scale
- (2) It is convex to the origin
- (3) Positive and diminishing marginal productivity of factors
- (4) It satisfies Inada condition

Choose the correct answer from the codes given below:

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

8. Gender development index does not address

- (A) education
- (B) life expectancy
- (C) incomes
- (D) nutrition level

9. Which statement of the following is true for IMF?

- (A) It is not an agency of UNO.
- (B) It can grant loan to any country of the world.
- (C) It can grant loan to state government of a country.
- (D) It grants loan to member nations only.

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

<i>List I</i>	<i>List II</i>
(a) Theory of Opportunity cost	1. Chenery
(b) Empirical validity of Heckscher-Ohlin theorem	2. Hicks-Kaldor-Scitovsky
(c) Welfare Criterion	3. Leontief
(d) Two Gap model of Foreign Aid	4. Haberler
	5. Adam Smith

Codes:

	(a)	(b)	(c)	(d)
(A)	1	5	3	4
(B)	4	3	2	1
(C)	3	1	2	5
(D)	5	4	1	3

11. If standard deviation of a variable x is 10, the value of standard deviation of $50 + 5x$ would be

- (A) 10
- (B) 50
- (C) 100
- (D) 500

12. Which one of the following is not a property of a public good?

- (A) Non excludability
- (B) Non rivalry in consumption
- (C) Demand curve is derivable
- (D) Marginal cost of supplying the commodity is zero

13. Which of the following statements about 'farm subsidies' are correct?

1. The input subsidies in India such as on fertilisers fall under indirect farm subsidies.
2. Reduction in power and irrigation bills offered to farmers fall under direct farm subsidies.
3. The agricultural provisions of the WTO though allow direct farm subsidies, prohibits indirect subsidies.
4. All subsidies forwarded by the government of India fall under the indirect category.

Select the correct statements using the code given below:

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

14. In case of price consumption curve parallel to the horizontal axis

- (A) the price elasticity of demand of the concerned good is one.
- (B) the price elasticity of demand of the concerned good is greater than one.
- (C) the concerned good has income elasticity equal to one.
- (D) the demand for the concerned good changes directly proportional to price.

15. Consider two utility functions $U = q_1^{1.5} q_2$ and $V = q_1^6 q_2^4 + 1.5 \ln q_1 + \ln q_2$. Choose the correct answer.

- (A) V is a log linear transformation of U
- (B) V is an increasing monotonic transformation of U
- (C) V is a decreasing monotonic transformation of U
- (D) V is a Cobb-Douglas transformation of U

16. Industrial location theory has been developed by

- (A) Weber
- (B) Marshall
- (C) Williamson
- (D) Bain

17. The NITI Aayog replacing the Planning Commission will follow a

- (A) top down approach
- (B) a bottom up approach
- (C) a state level approach
- (D) a mixture of all the above

18. In the currency market, to ensure that the same amount of foreign currency is transacted at a future specified date the buyer and seller of foreign currency can enter into the following alternate contracts:

- (A) Spot exchange and futures contract
- (B) Forward and futures contracts
- (C) Forward contract and spot exchange
- (D) Foreign exchange option

19. In the Harrod-Domar equation $g = \frac{s}{v}$, v is defined as

- (A) the value of the country's capital stock.
- (B) the ratio of the country's capital stock to its output.
- (C) the change in the country's capital stock.
- (D) the change in capital labour ratio in the country.

20. In statistical hypothesis testing, a 'Type I' error occurs when there happens

- (A) correct rejection of a true null hypothesis.
- (B) incorrect rejection of a true null hypothesis.
- (C) failure to reject a false null hypothesis.
- (D) rejecting a false null hypothesis.

21. In the Heckscher-Ohlin framework, at the free-trade world equilibrium price

- (A) quantity of the good that the Home exports is less than the quantity of that good the Foreign imports.
- (B) quantity of the good that the Home exports and the quantity of the same good that the Foreign imports move in opposite direction.
- (C) quantity of the good that the Home exports is greater than the quantity of that good the Foreign imports.
- (D) quantity of the good that the Home exports is same as the quantity of that good the Foreign imports.

22. In Ricardian theory the relation between Rent and Price can be expressed as

- (A) higher rent is associated with higher price.
- (B) price is determined by economic rent.
- (C) higher the rent, lower is the market price.
- (D) rent does not enter into price determination.

23. Match *List I* with *List II* and select the correct answers using the codes given below the lists:

<i>List I</i> (Event)	<i>List II</i> (Year)
(a) Year of Great Divide	1. 1950
(b) Industrial Policy Resolution	2. 1921
(c) Setting up of Planning Commission	3. 1969
(d) Nationalisation of 14 Commercial Banks	4. 1956

- | | (a) | (b) | (c) | (d) |
|-----|-----|-----|-----|-----|
| (A) | 1 | 2 | 4 | 3 |
| (B) | 2 | 4 | 1 | 3 |
| (C) | 4 | 2 | 3 | 1 |
| (D) | 4 | 3 | 2 | 1 |

24. In Census 2011 data, the proportion of Scheduled Tribe and Scheduled Caste population in country's total population stand at

- (A) 7.5% and 15.2% respectively.
- (B) 8.1% and 17.8% respectively.
- (C) 8.6% and 16.6% respectively.
- (D) 9.3% and 18.3% respectively.

25. The field of sustainable development can be conceptualised as

- (A) environmental sustainability only.
- (B) economic sustainability only.
- (C) sociopolitical sustainability only.
- (D) environmental, economic and sociopolitical sustainability.

26. In Kaldor's growth model it is assumed that

- (A) capital output ratio is constant.
- (B) share of factor is determined by the respective marginal productivities.
- (C) saving ratio is assumed to be variable depending on per capita capital.
- (D) natural rate of growth is variable.

Which of the above assumptions is incorrect?

27. When an enterprise owner is the sole purchaser in input market and seller in a perfectly competitive market, we have the case of

- (A) Monopolistic exploitation
- (B) Monopolistic as well as monopsonistic exploitation
- (C) Oligopolistic exploitation
- (D) Monopsonistic exploitation

28. If a card is chosen from a standard pack of cards, what is the probability of getting a five or a seven?

- (A) $\frac{4}{52}$
- (B) $\frac{1}{26}$
- (C) $\frac{8}{52}$
- (D) $\frac{1}{169}$

29. VAT is imposed

- (A) directly on consumers.
- (B) on final stage of production.
- (C) on first stage of production.
- (D) on all stages between production and final stages.

30. In the labour demand-supply framework, at the employment level below the equilibrium employment, there is incentive for the firm/employer to put more workers to work as

- (A) marginal product of labour exceeds the real wage.
- (B) marginal product of labour is lower than the real wage.
- (C) marginal product of labour is equal to real wage.
- (D) marginal product of labour is not related to real wage.

31. Based on Narasimhan Committee-I in 1991, the RBI has been given autonomy in

- (A) Open Market Operations (OMO).
- (B) Issuing fresh currency notes.
- (C) Regulating All India Financial Institutions.
- (D) Working autonomy in announcing the Credit and Monetary Policy.

32. Capital deepening is a process in which

- (A) output remains constant
- (B) capital intensity remains constant
- (C) technology changes with an increase in output per worker
- (D) capital output ratio falls

33. If the Marginal Propensity to consume is 0.8, then the value of Investment Multiplier will be

- (A) 05
- (B) 10
- (C) 1.25
- (D) 01

- 34.** Marginal Cost (MC) is given by
- the slope of the TFC curve.
 - the slope of the TVC curve but not by the slope of the TC curve.
 - the slope of the TC curve but not by the slope of the TVC curve.
 - either the slope of TC or the slope of the TVC.

35. In case of inflation tax, government's real seignorage revenue is the product of inflation tax and the tax base. While the tax rate is the rate of inflation, the tax base is the

- real output
- nominal output
- real money supply
- capital stock

36. Based on Mankiw, Romer and Weil (1992), with conditional convergence, holding fertility rates, education and government spending as a share of GDP constant

- income per capita is the same regardless of poor or rich countries.
- income per capita in rich countries grows faster than in poor countries.
- income per capita in poor countries grows faster than in rich countries.
- income per capita in poor countries grows conditional upon foreign aid.

37. Among the following what causes market failure:

- Externality
- Asymmetry of information
- Perfect competition

Choose the correct answer from the codes given below:

- 1, 2 and 3 are correct
- 1 and 2 are correct
- Only 1 is correct
- 2 and 3 are correct

38. Consider the following statements about the idea of 'inclusive growth':

- The idea of 'inclusive growth' entered into the domain of planning with the XIth Plan.
- The idea of 'decentralised' development planning is parallel to the idea of inclusive growth.
- It is about 'social' inclusion too.
- 3rd generation economic reforms were found to be inclusive in nature.

Select the correct statements using the code given below:

- 1 and 2
- 1 and 3
- 1 and 4
- 1, 2 and 3

39. Which of the following statements is correct about the term 'bank run'?

- Bond holders and depositors both suffer due to increased inflation.
- A panic situation when deposit holders start withdrawing cash from the banks.
- The ratio maintained by commercial banks of bank's total deposits and its total liabilities.
- The period in which a bank creates the highest credit in the market.

40. In the presence of increasing returns, if both countries participating in international trade specialize in the same commodity, then the

- volume of trade will be higher for both the countries and overall welfare for each country will be higher.
- volume of trade will be same for both the participating countries and overall welfare for each of them will remain unchanged.
- there will be no trade among the participating countries and overall welfare for each country will remain unchanged.
- there will be no trade among the two participating countries and overall welfare for each country will fall.

41. If one regression coefficient is greater than one, the other must be

- (A) greater than one
- (B) equal to zero
- (C) less than one
- (D) inverse of it

42. Omission of relevant variables or 'underfitting' a model has several consequences. Select the correct statements using codes given below:

1. If omitted variables are correlated with the variables, the coefficients of the estimated model are biased.
2. The disturbance variance σ^2 is incorrectly estimated.
3. Even when excluded variables are not correlated with the variables included in the model, the intercept of the estimated model is unbiased.
4. Forecasts will be reliable.

Codes:

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

43. In IS-LM model, effectiveness of expansionary fiscal policy is maximum when the LM curve is

- (A) downward sloping and steep
- (B) vertical
- (C) upward rising and backward bending
- (D) horizontal

44. Identify the incorrect assumption of the Solow Model (Long-run growth model):

- (A) One composite commodity is produced.
- (B) Output is measured in net terms.
- (C) Variable returns to scale.
- (D) The two factors-labour and capital are paid according to their marginal physical productivities.

45. Which factor among the following creates obstacle in measuring correct estimate of national income?

- (A) Existence of non-monetised sector
- (B) Low rate of savings
- (C) Under employment
- (D) Inflation

46. In the WTO, tariff escalation by developed countries refers to

- (A) increase in average and peak tariff rates.
- (B) increase in the number of tariff rate slabs across products.
- (C) increase in the tariff rate with the level of processing of the product.
- (D) increase in the tariff rate for raw materials as against the final products.

47. As a measure of protection, voluntary export restraint (VER) is equivalent to import quota, except that

- (A) the quota rent is non-existent in this case.
- (B) the quota rent is effectively ceded to the foreign exporter.
- (C) the quota rent is partly taken by the importing country and partly by the exporting country.
- (D) the quota rent is higher in this case.

48. In the Bertrand two good model with homogenous output

- (A) $p_1 = p_2 = c$ at equilibrium
- (B) $p_1 = p_2 \neq c$ at equilibrium
- (C) $p_1 = p_2 > c$ at equilibrium
- (D) $p_1 \neq p_2$ at equilibrium

49. The New Keynesian models explain involuntary unemployment through real rigidities arising out of

- (A) money and credit market
- (B) capital market
- (C) foreign exchange market
- (D) wage- and price-setting process

50. Let the coefficient of determination computed be 0.39 in a problem involving one independent variable and one dependent variable. This result means that

- (A) the relationship between two variables is negative.
- (B) the correlation coefficient is 0.39.
- (C) 39% of total variation in dependent variable is explained by the independent variable.
- (D) 39% of the total variation is explained by the dependent variable.

51. The proponent of the Doctrine of Unbalanced Growth is

- (A) R. Nurkse
- (B) H. Leibenstein
- (C) Albert O. Hirschman
- (D) J. Robinson

52. Consider the following statements:

1. RBI takes recourse to Open Market Operations (OMOs) to manage liquidity in the system.
2. MCLR has been introduced to improve transmission of policy rates into the lending rates of banks.
3. MSF functions as the last resort for banks to borrow short-term funds.
4. Non-monetary liabilities of the RBI form India's 'Reserve Money'.

Which of the above statements are correct?

- (A) Only 1 and 3
- (B) Only 1, 2 and 3
- (C) Only 1 and 2
- (D) All four are correct

53. The Work Participation Rate (WPR) for male and female in Census 2011 data has been estimated at

- (A) 46.6% and 25.5% respectively.
- (B) 49.2% and 25.5% respectively.
- (C) 53.3% and 25.5% respectively.
- (D) 58.3% and 25.5% respectively.

54. Based on Kuznets identification of four possible types of contribution of agriculture to economic growth, which one of the following is not considered within the four?

- (A) Product contribution, i.e., making available food and raw materials.
- (B) Market contribution, i.e. providing the market for producer goods and consumer goods produced in the non-agricultural sector.
- (C) Foreign exchange contribution.
- (D) Rural banking contribution.

55. Given the following problem

$$\text{Max } Z = c_1x_1 + c_2x_2$$

$$\text{S.t. } \begin{bmatrix} a_{11} & a_{12} \\ a_{21} & a_{22} \end{bmatrix} \begin{bmatrix} x_1 \\ x_2 \end{bmatrix} \leq \begin{bmatrix} b_1 \\ b_2 \end{bmatrix}$$

$$x_1 \geq 0$$

1. It constitutes an LPP.
 2. It does not constitute an LPP.
 3. Non-negativity restriction is incomplete.
 4. It has its dual problem.
- (A) Only 4 is true
 - (B) Both 2 and 3 are true
 - (C) Only 3 is true
 - (D) Both 1 and 4 are true

56. The Keynesian view of an increase in government spending results in an increase in interest rate and income. However, the money stock remains unchanged, with velocity of money

- (A) increasing
- (B) decreasing
- (C) remaining unchanged
- (D) increasing in the first phase and decreasing thereafter

57. For the linear regression model, $Y = \alpha + \beta X + U$. Which of the following statements is incorrect, where R^2 is the coefficient of determination?

- (A) $0 \leq R^2 \leq 1$
 (B) $0 \leq R \leq 1$
 (C) $R^2 \sum (Y_i - \bar{Y})^2 = \hat{\beta}^2 \sum (X_i - \bar{X})^2$
 (D) $R^2 = \left\{ 1 - \frac{\sum (Y_i - \hat{Y})^2}{\sum (Y_i - \bar{Y})^2} \right\}$

58. The concentration effect explained in Peacock-Wiseman hypothesis implies

- (A) Public expenditure does not increase in smooth and continuous manner.
 (B) Public expenditure increases the necessity of increased revenue.
 (C) Central Government's economic activity to grow faster than that of subnational Governments.
 (D) Absolute level of public expenditure increases.

59. Which of the following is not matched correctly?

- (A) Ryotwari system : Karnataka
 (B) Zamindari system : Bengal, Bihar, Uttar Pradesh
 (C) Mahalwati system : Awadh
 (D) Operation Barga : West Bengal

60. Effective literacy rate in India in census 2011 has been calculated as

- (A) $\frac{\text{Number of literate persons}}{\text{Total population}}$
 (B) $\frac{\text{Number of literate persons aged 6 and above} \times 100}{\text{Total population}}$
 (C) $\frac{\text{Number of literate persons aged 7 and above} \times 100}{\text{Population aged 7 and above}}$
 (D) $\frac{\text{Number of literate persons aged 7 and above} \times 100}{\text{Total population}}$

61. Arabari experiment in joint forest management was launched in the year

- (A) 1975
 (B) 1972
 (C) 1980
 (D) 1988

62. The New Agricultural Policy of the Indian Government of the 1960s (Green Revolution) did not lead to

- (A) Increase in food production in the country
 (B) Inequality in farmers' income
 (C) Commercialisation of agriculture
 (D) More equality in foodgrain production among different regions of the country

63. Income tax in India is a

- (A) progressive tax.
 (B) proportional tax.
 (C) value added tax.
 (D) part of goods and services tax.

64. Which of the following is not used for the solution of multi-collinearity?

- (A) Ridge regression analysis
 (B) Dropping variable technique
 (C) Principal component analysis
 (D) Indirect least square method

65. As economic development proceeds, income inequality tends to follow _____ curve.

- (A) convex
 (B) inverted U-shaped
 (C) L-shaped
 (D) S-shaped

66. Which of the following is not matching correctly?

- (A) W.A. Lewis — Dual Economy Model
 (B) S. Kuznets — Modern Economic Growth
 (C) J.M. Keynes — Wealth of Nations
 (D) Jagdish Bhagwati — In Defence of Globalization

67. In a two good economy x and y , if x be Giffen good, then which of the following must be satisfied in case of good y .

- (A) $\frac{\partial y}{\partial p_y} < 0$
 (B) $\frac{\partial y}{\partial p_y} > 0$
 (C) $\frac{\partial y}{\partial M} < 0$
 (D) $\frac{\partial y}{\partial p_y} \cdot \frac{p_y}{y} > 0$

68. In Real Business Cycle Models, real, not monetary, factors are responsible for fluctuations in output and employment. If at all monetary policy is considered, it focuses on

- (A) lowering employment when the economy is above full employment.
 (B) increasing employment when the economy is at less than full employment.
 (C) controlling inflation and maintaining stability.
 (D) increasing domestic credit to increase output.

69. When both population mean and variance are not known, for the comparison of two sample means, which of the following test is applied?

- (A) Chi² test
 (B) Student t test
 (C) F test
 (D) Z test

70. Fisher's ideal price index is equal to

- (A) $\sqrt{\frac{\sum p_n q_n}{\sum p_o q_n} \times \frac{\sum p_n q_o}{\sum p_o q_o}}$
 (B) $\sqrt{\frac{p_n q_n}{p_o q_n} \times \frac{p_n q_o}{p_o q_o}}$
 (C) $\sqrt{\frac{\sum p_n q_o}{\sum p_o q_n} \times \frac{\sum p_n q_o}{\sum p_o q_o}}$
 (D) $\sqrt{\frac{\sum p_n q_n}{\sum p_o q_n} \times \frac{\sum p_n q_o}{\sum p_o q_o}}$

71. Which one of the following statement is correct?

- (A) The marginal cost of providing a private good to an additional individual is always positive, while that of public good is zero.
 (B) The marginal cost of providing a public good to an additional individual is always negative, while that of private good is positive.
 (C) The marginal cost of providing a public good to an additional individual is always zero, while that of private good is negative.
 (D) The marginal costs of providing both, a public good and a private good to an additional individual are always zero.

72. The Regional Rural Banks (RRBs) in India are being restructured by the GoI under the recommendations of the

- (A) Kelkar Expert Committee
 (B) Vyas Committee
 (C) Nair Committee
 (D) Chaturvedi Committee

73. The Village and Small Industries Committee (Karve Committee) reported in the year

- (A) 1965
 (B) 1975
 (C) 1955
 (D) 1985

74. Kendrick measure is used to calculate
- (1) Partial productivity
 - (2) Single factor productivity
 - (3) Total factor productivity
 - (4) Multifactor productivity
- State which one is correct?
- (A) Only 3 is true
 - (B) Both 3 and 4 are true
 - (C) Only 1 is true
 - (D) Only 2 is true
75. At equilibrium under monopoly
- (A) total expenditure and price are inversely related.
 - (B) total expenditure and price are directly related.
 - (C) total expenditure and price are independent.
 - (D) price elasticity of demand is positive.
76. External economies are witnessed in
- (A) a rising supply curve
 - (B) a rising demand curve
 - (C) a falling supply curve
 - (D) a falling demand curve
77. In moving average method we cannot find trend values of
- (A) Starting periods only
 - (B) End periods only
 - (C) Both Starting and End periods
 - (D) Middle periods
78. Fei-Ranis's theory of development is not based on
- (A) dualistic approach of development.
 - (B) presence of disguised unemployment.
 - (C) importance attached to agricultural development.
 - (D) no plough back of industrial surplus for capital formation.
79. With which country India is exploring shale gas reserves?
- (A) France
 - (B) Germany
 - (C) United Kingdom
 - (D) USA
80. The current method of calculating HDI is
- (A) $\frac{\text{Life expectancy index} + \text{Education index} + \text{Income index}}{3}$
 - (B) $(\text{Life expectancy index} \times \text{Education index} \times \text{Income index})^{\frac{1}{3}}$
 - (C) $(\text{Life expectancy index}^2 + \text{Education index}^2 + \text{Income index}^2)^{\frac{1}{2}}$
 - (D) $(\text{Life expectancy index}^2 \times \text{Education index}^2 \times \text{Income index}^2)^{\frac{1}{3}}$
81. Growth rate of per capita income is equal to
- (A) growth rate of population minus growth rate of income.
 - (B) growth rate of income minus growth rate of population.
 - (C) growth rate of income minus growth rate of capital.
 - (D) growth rate of income minus growth rate of labour force.
82. Choose the correct statement:
In a simultaneous equation system
- (A) if an equation is exactly identified then ILS and 2SLS would give same result.
 - (B) if an equation is over identified then ILS and 2SLS technique would give same result.
 - (C) if an equation is under identified then OLS technique can be applied.
 - (D) if an equation is exactly identified then only ILS technique can be applied.

83. Given the consumer's utility function $U = X_1^2 X_2^3$ and the budget constraint $M = p_1 x_1 + p_2 x_2$, the demand function for x_2 will be

- (A) $\frac{3M}{5p_2}$
 (B) $\frac{M}{2p_2}$
 (C) $\frac{M}{p_1 + p_2}$
 (D) $\frac{M}{2p_1}$

84. State the correct code based on the following statement:

Concept of disembodied technical change is associated with

- (i) A.C. Pigou
 (ii) Abramovitz
 (iii) J.W. Kendrick
 (iv) R.M. Solow

Codes

- (A) (i) and (ii)
 (B) (i), (ii) and (iii)
 (C) (i), (ii) and (iv)
 (D) (ii), (iii) and (iv)

85. In the following game

		P-II			
		B_1	B_2	B_3	B_4
P-I	A_1	-2	4	-1	6
	A_2	3	-1	5	10

- (A) Only the third column is dominated.
 (B) Only the fourth column is dominated.
 (C) Both third and fourth columns are dominated.
 (D) Neither column is dominated.

86. The following was constituted to examine the centre state relation:

- (A) Chelliah Committee
 (B) Sarkaria Commission
 (C) Narsimham Committee
 (D) Wanchoo Committee

87. Which of the following does not come under land reform?

- (A) Consolidation of land holding
 (B) Providing security to tenure
 (C) Drip irrigation
 (D) Abolition of intermediaries

88. In the presence of repercussion effect, a shift in the pattern of expenditure towards more of imports will result in

- (A) higher import and higher domestic output.
 (B) lower import and higher domestic output.
 (C) improved balance of trade and lower domestic output.
 (D) deteriorating balance of trade and lower domestic output.

89. When MRS_{xy} is increasing, the consumer

- (A) satisfies $\frac{MU_x}{MU_y} = \frac{p_x}{p_y}$ at equilibrium.
 (B) does not reach any equilibrium.
 (C) consumes only one commodity at equilibrium.
 (D) consumes only commodity x at equilibrium.

90. Stolper-Samuelson Theorem states that, under free-trade, the real income

- (A) rises for the factor used relatively intensively in the exporting industry as well as the import-competing industry.
- (B) rises for the factor used relatively intensively in exporting industry and falls for the factor used relatively intensively in the import competing industry.
- (C) falls for the factor used relatively intensively in both exporting as well as import competing industries.
- (D) falls for the factor used relatively intensively in exporting industry and rises for the factor used relatively intensively in the import competing industry.

91. Environmental Audit is the procedure to

- (A) analyse the use of natural resources by all.
- (B) analyse the use of natural resources by industry.
- (C) assess the impact of industrial operations.
- (D) analyse the use of natural resources by industry and also assess the impact of industrial operations on environment.

92. Reference Period for the Neonatal Mortality Rate in India is

- (A) three months after birth
- (B) one month after birth
- (C) 28 days after birth
- (D) 15 days after birth

93. Which of the following are functions of NABARD?

- (i) Monitoring flow of ground level credit to agriculture.
- (ii) Credit planning and monitoring.
- (iii) Formulation of operational guidelines for rural financial institutions.
- (iv) Fixing repo rate

Codes:

- (A) (i), (ii) and (iii)
- (B) (i) and (iv)
- (C) (ii), (iii) and (iv)
- (D) (i), (ii) and (iv)

94. Given $S'(y) = 0.3 - 0.1y^{-\frac{1}{2}}$

$S(y)$ is equal to

- (A) $3y - 0.1y^{\frac{1}{2}} + c$
- (B) $3y - 0.2y^{\frac{1}{2}} + c$
- (C) $3y - 0.2y^{\frac{1}{2}} + c$
- (D) $3y + 0.2y^{\frac{1}{2}} + c$

95. The Foreign Trade Policy 2015-20 focusses on two special schemes to promote exports. These include

- (A) Merchandise Exports from India Scheme (MEIS) and Scheme for Ease of Doing Business.
- (B) Merchandise Exports from India Scheme (MEIS) and Service Exports from India Scheme (SEIS).
- (C) Service Exports from India Scheme (SEIS) and Scheme for Ease of Doing Business.
- (D) Ease of Doing Business and Niryat Bandhu Scheme.

96. The production function $y = \frac{x_1^2 + x_2^2 + x_3^2}{x_1^3 + x_2^3 + x_3^3}$ is homogeneous of degree

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

97. The distinctive feature of the New Classical Model is that the aggregate supply and labour supply schedules depend on

- (A) backward-looking nature of expectations of monetary and fiscal policy variables along with oil prices and other supply side factors.
- (B) contemporaneous monetary and fiscal policy variables along with oil prices and other supply side factors.
- (C) rational expectations of monetary and fiscal policy variables along with oil prices and other supply side factors.
- (D) rigidities in the output and money market.

98. Consider $U = f(w)$. Choose the correct statement. (Here w stands for wealth)

- (A) If $f''(w) < 0$, the utility function is concave and the consumer is risk loving.
- (B) If $f''(w) > 0$, the utility function is concave and the consumer is risk averter.
- (C) If $f''(w) < 0$, the utility function is strictly concave and the consumer is risk averter.
- (D) If $f''(w) = 0$, the utility function is straight line and the consumer is risk loving.

99. Consider the following *Assertion (A)* and *Reason (R)*

Assertion (A) : If the monopolist faces identical demand curve for his commodity in two separate markets, by practising third degree price discrimination he cannot increase his total revenue and profits.

Reason (R) : As the marginal revenue curves are identical in two markets when the demand curves are same, the monopolist will not charge different prices in each market to maximise profits.

Codes:

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

100. In an open economy, international capital mobility and a fixed exchange rate will imply

- (A) coordinated fiscal policies with rest of the world.
- (B) inflation targetting.
- (C) no monetary policy autonomy.
- (D) exchange rate devaluation.

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ROUGH WORK