

P.G. ENTRANCE EXAMINATION, APRIL 2022

ECONOMICS/FINANCIAL ECONOMICS

Time : Two Hours

Maximum : 400 Marks

*Each question carries 4 marks.**1 mark will be deducted for each wrong answer.*

1. The concept 'Market Signalling' was first developed by _____.
 - a) Sidney Alexander.
 - b) Akerlof.
 - c) Michael Spence.
 - d) Robert S. Pindyck.
2. In terms of the theory of games, the equilibrium solution preferred by the duopolists is called _____.
 - a) Zero-sum point.
 - b) Saddle point.
 - c) Minimax point.
 - d) Maximin point.
3. In the limit pricing model of Franco Modigliani, a new entrant is assumed to enter the industry with _____.
 - a) The smallest plant size.
 - b) The largest plant size.
 - c) Sub-optimal plant size.
 - d) Minimum optimal plant size.
4. Sweezy's kinked demand model explains the following problem which is often found in oligopolistic markets :
 - a) Price rigidity.
 - b) Price flexibility.
 - c) Output rigidity.
 - d) Demand.
5. Clark-Wicksteed-Walras product exhaustion theorem works :
 - a) If the production function shows constant returns to scale.
 - b) If the production function shows increasing returns to scale.
 - c) If the production function shows diminishing returns to scale.
 - d) Irrespective of the nature of the production function.

Turn over

6. Which of the following shows the irreversibility of consumption function ?
- a) Demonstration Effect.
 - b) Haavelmo Problem.
 - c) Consumption Pyramid.
 - d) Ratchet Effect.
7. In Keynesian macroeconomic system money wage is rigid _____.
- a) Downward.
 - b) Upward.
 - c) Both Upward and Downward.
 - d) Neither Upward nor Downward
8. The theoretical inference that the balanced budget has multiplier effect :
- a) Fiscal Stabilizer.
 - b) Haavelmo Effect.
 - c) Pump Priming.
 - d) Kuznets Puzzle.
9. Difference between GDP growth rate and interest rate :
- a) DDP Gap.
 - b) Mark-up.
 - c) Fiscal Gap.
 - d) Domar Gap.
10. UN Day is celebrated on _____.
- a) June 4th.
 - b) September 14th.
 - c) October 24th.
 - d) November 14th.
11. Which Committee recommended Capital account Convertibility in India :
- a) Tarapore Committee.
 - b) Tandon Committee.
 - c) Watal Committee.
 - d) Rekhi Committee.
12. 17 Sustainable Development Goal by UN was introduced in _____.
- a) 14th September 2004
 - b) 25th September 2015
 - c) 18th October 2017
 - d) 15th October 2004
13. According to Global Multi Dimensional Poverty Index 2021, India's rank is _____.
- a) 76.
 - b) 92.
 - c) 56.
 - d) 66.

14. _____ states that devaluation improves the current account balance if the combined price elasticities of demand for exports and imports are greater than unity.
- Ohlin-Lerner condition.
 - Mill-Lerner condition.
 - Keynes-Lerner condition.
 - Marshall-Lerner condition.
15. Value of Keynesian investment multiplier, k is _____ when MPS is equal to 20 %.
- - 6.
 - 5.
 - 4.
16. "The fall in the real interest rate that results when an increase in expected inflation raises the nominal interest rate, lower real money balances and real wealth, and there by reduces consumption and saving" :
- Mundell-Tobin effect.
 - Mundell-Fleming effect.
 - Real balance effect.
 - Wealth effect.
17. 'Uncertain Glory-India and its Contradictions' was written by :
- Amartya Sen and Jean Dreze.
 - Jagdish Bhagwati and Padma Desai.
 - Jagdish Bhagwati and Pangaria.
 - Amartya Sen and Rangarajan.
18. As per 2011 Census, the percentage of population above 60 in Kerala was around :
- 14.1 %.
 - 12.6 %.
 - 11.2 %.
 - 9.7 %.
19. According to Ricardo, a country has a comparative advantage in producing a good if the _____ cost of its production is lower at home than in the other country.
- Money.
 - Real.
 - Absolute.
 - Opportunity.

Turn over

20. The Stolper-Samuelson theorem explains _____.
- The process of factor price equalization.
 - The effect of tariff on income distribution among factors.
 - The terms of trade effect of growth.
 - The conditions under which devaluation will be successful.
21. According to Emmanuel, the main reason for unequal exchange between the centre and the periphery is :
- Difference in the productivity of capital.
 - Difference in natural resource endowments.
 - Differences in the wage rates.
 - Difference in the interest rates.
22. Gruber and Vernon tried to establish a link between export performance and _____.
- Research effort.
 - Domestic wage level.
 - International specialization.
 - Trade barriers
23. The Prebisch-Singer hypothesis explains _____.
- A long-term deterioration in the terms-of-trade of primary products.
 - A long-term deterioration in the terms-of-trade of manufactured goods.
 - Inverse relationship between growth and welfare.
 - The effect of growth on the balance of payments.
24. A devaluation of domestic currency initially worsening the BOP and then improving is shown by _____.
- Monetary approach to BOP.
 - Marshall Lerner conditions.
 - Absorption approach to devaluation.
 - J curve effect.

25. Indian Rupee is convertible on _____.
- a) Capital account. b) Current account.
c) Both capital and current. d) None of these.
26. The absorption approach to BOP is firstly developed by _____.
- a) Mundell. b) Friedman.
c) Alexander. d) Smith.
27. Marginal rate of technical substitution is the ratio of _____.
- a) Price to Marginal products.
b) Marginal Product to price.
c) Marginal Product to price.
d) Marginal Productivities.
28. The function $Q^0 = f(K, L)$, where Q^0 is fixed output, K and L are variable inputs, represents _____.
- a) Iso-cost line. b) Iso-profit curve.
c) Iso-quant. d) Engineering curve.
29. The demand curve faced by a monopolist is $P = 100 - 2q$. The slope of the Marginal revenue curve is _____.
- a) - 2. b) - 4.
c) 2. d) 4.
30. Given the cost function $C = 5e^{2Q}$ the elasticity of cost function with respect to output is :
- a) 5/2. b) 2.
c) 5. d) 1/5.
31. When the marginal and average product of labour at a point are respectively $AP_L = 20$; $MPL = 2$. The output is _____ with respect to labour.
- a) Elastic. b) Perfectly elastic.
c) Inelastic. d) Perfectly inelastic.

32. Concept of dualism was originally developed by _____.
- a) Lewis.
 - b) Boeke.
 - c) Singer.
 - d) Verner.
33. The welfare of all means _____.
- a) Swaraj.
 - b) Sarvodaya.
 - c) Branhmacharya.
 - d) Swadeshi.
34. A materialistic interpretation of history was given by _____.
- a) Marx.
 - b) Keynes.
 - c) Malthus.
 - d) J B Say.
35. One of the leading Physiocrats among the following is _____.
- a) Sir Thomas Mun.
 - b) William Petty.
 - c) John Locke.
 - d) Francois Quesnay.
36. Amartya Sen got Nobel Prize in economics in the year _____.
- a) 1991.
 - b) 1995.
 - c) 1999.
 - d) 1998.
37. Tableau Economique is _____.
- a) Patinkin's Model.
 - b) Quesnay's Model.
 - c) Keynes Model.
 - d) Hicks-Hansen Model.
38. Who is known as the 'Father of Capitalism'?
- a) Adam Smith.
 - b) David Ricardo.
 - c) Robert Malthus.
 - d) J B Say.
39. $\frac{c}{c+v}$ Represents _____.
- a) Surplus value.
 - b) Rate of profit.
 - c) Organic composition of capital.
 - d) Industrial reserve army.

58. As per Rostow's theory, second stage is known as _____.

- a) Pre-conditions for take off.
- b) Age of mass consumption.
- c) Take off.
- d) The drive towards maturity.

59. One of the path breaking work in Gender Economics 'Women's role in Economic Development' was written in 1970 by _____.

- a) Amartya Sen.
- b) Paul Krugman.
- c) Esther Boseru.
- d) Mah bub ulhaq.

60. _____ agency developed Gender Empowerment Measure.

- a) IMF.
- b) World Bank.
- c) WTO.
- d) UNDP.

61. The value added tax was first introduced in :

- a) England.
- b) Germany.
- c) United states.
- d) France.

62. Which one of the following taxes is levied by state :

- a) Tax on motor vehicle.
- b) Tax on hotels.
- c) Educational cess.
- d) Tax on wealth.

63. Private goods are following the principle of :

- a) Non-excludability.
- b) Non-rivalry.
- c) Rivalry.
- d) Maximum profit.

64. Chairman of the direct taxes enquiry committee :

- a) K.N Raj.
- b) L.K Jha.
- c) J B Mohapatra.
- d) K.N Wanchoo.

65. $\lim_{x \rightarrow -3} \frac{x^2 + x - 6}{x^2 - 9}$, $x = -3$ is _____.

a) $\frac{7}{4}$.

b) $-\frac{2}{3}$.

c) $-\frac{5}{6}$.

d) $\frac{5}{6}$.

66. For the function $y = f(x)$, the critical point is the point where $\frac{dy}{dx} =$ _____.

a) 1.

b) > 0 .

c) < 0 .

d) 0.

67. The profit is maximum, when $\frac{d\pi}{dq} =$ _____.

a) Zero.

b) Greater than zero.

c) Less than zero.

d) None of the above.

68. Value of x and y in the following equations are _____.

$$2x - 3y = 1$$

$$3x - 2y = 4$$

a) (0,1).

b) (2,1).

c) (2,5).

d) (4,1).

69. Slope of the function $y = 4/x$ at the point (2,2) is _____.

a) 1.

b) 2.

c) -1.

d) -2.

78. A testable proposition is called _____.
- a) Objectives.
 - b) Research Question.
 - c) Hypothesis.
 - d) Research Design.
79. _____ theorem proves that OLS estimators are BLUE.
- a) Law of Inertia.
 - b) Central limit theorem.
 - c) Gauss- Markov theorem.
 - d) Law Statistical regularity.
80. Auto correlation in spatial data is known as _____.
- a) Partial Correlation.
 - b) Serial Correlation.
 - c) Multiple Correlation.
 - d) Spatial Correlation.
81. Winner of 2021 Nobel Prize in Economics is _____.
- a) David Card.
 - b) Paul Milgrum.
 - c) Michael Kremer.
 - d) Michael Romer.
82. Which state as per the survey has been ranked the lowest performer of Covid-19 recovery and number of deaths due to it ?
- a) Kerala.
 - b) Maharashtra.
 - c) Uttar Pradesh.
 - d) Madhya Pradesh.
83. A major information technology hub in northern Kerala is _____.
- a) Techno park.
 - b) Info park.
 - c) Cyber park.
 - d) Hi-Tech Park.
84. Total Grama Panchayats in Kerala is _____.
- a) 999.
 - b) 941.
 - c) 983.
 - d) 979.
85. Paper Currency first started in India on _____.
- a) 1601.
 - b) 1861.
 - c) 1541.
 - d) 1418.

86. Concept of Zero budgeting was given by :
- a) Peter Payer.
 - b) Mahalanobis.
 - c) Harrod-Domar.
 - d) Jagadish Bagavathi.
87. 'Man and Economics' is authored by _____.
- a) M. Scholes.
 - b) J. S. Mill.
 - c) Robert Mundel.
 - d) Robert Malthus.
88. Asia's first export processing zone was established in _____.
- a) Surat.
 - b) Bombay.
 - c) Cochin.
 - d) Kandla.
89. A co-operative society has a _____.
- a) Two -tier structure.
 - b) Three-tier structure.
 - c) Four-tier structure.
 - d) Five-tier structure.
90. In computing Index numbers, the base period is always taken as _____.
- a) 0.
 - b) 1.
 - c) 10.
 - d) 100.
91. Gilt Edged Market means _____.
- a) Market of Gold.
 - b) Market of Government securities.
 - c) Market of heavy metals.
 - d) Bullion Market.
92. For India, Mahalanobis model laid greater emphasis on _____.
- a) Agriculture.
 - b) Power generation.
 - c) Heavy Industries.
 - d) Tele Communication.
93. Shape of the Normal Curve depends on _____.
- a) Range.
 - b) Quartile Deviation.
 - c) Mean Deviation.
 - d) Standard Deviation.

94. Sum of the currency in circulation and reserves of banks is known as _____.
- a) Broad money.
 - b) Near Money.
 - c) Monetary base.
 - d) Transaction Money.
95. 80-20 Rule is associated with _____ distribution.
- a) Normal distribution.
 - b) Log normal distribution.
 - c) Pareto distribution.
 - d) Multinomial distribution.
96. A dummy variable takes values _____.
- a) 0 and 1.
 - b) 0 to infinity.
 - c) -1 and 1.
 - d) -1 and 0.
97. _____ is known as a measure of goodness of fit.
- a) F test.
 - b) Chi-square test.
 - c) ANOVA.
 - d) Student *t* test.
98. Data containing observations of multiple units at a point of time is a _____.
- a) Times series data.
 - b) Panel data.
 - c) Pooled data.
 - d) Cross sectional data.
99. Gini-Co-efficient is used to measure _____.
- a) Inequality.
 - b) Unemployment.
 - c) Poverty.
 - d) Mortality.
100. Which of the following is not an appropriate for studying bi-variate analysis ?
- a) Bar chart.
 - b) Scatter plot.
 - c) Correlation.
 - d) Regression.