

PG/INTEGRATED PG ENTRANCE EXAMINATION, APRIL 2023

ECONOMICS/FINANCIAL ECONOMICS

Time : Two Hours

Maximum : 400 Marks

Part A (Multiple Choice Questions)

*Each correct answer shall carry 4 marks and 1 mark shall be deducted for 4 wrong answers
(¼ th)*

1. The theory of tatonnement is the contribution of _____.
 - a) Arrow.
 - b) Williamson.
 - c) Pareto.
 - d) Walras.
2. In linear programming, the unutilized units of a factor of production is described by the term _____.
 - a) Slack variable.
 - b) Ordinary variable.
 - c) Structural variable.
 - d) Null variable.
3. When an uninformed party takes actions to induce the informed party to reveal private information, the phenomenon is called :
 - a) Screening.
 - b) Moral hazard.
 - c) Signalling.
 - d) Induction.
4. In Marris model of managerial enterprise, the leverage ratio is defined as _____.
 - a) Liquid assets/total assets.
 - b) Value of debts/total assets.
 - c) Total profits/total assets.
 - d) Total assets/liquid assets.
5. In Kaldor's theory of income distribution, the APS of the workers (sw) and the APS of the profit earners (sp) are related as _____.
 - a) $sw > sp$.
 - b) $sp > sw$.
 - c) $sp = sw$.
 - d) $sp + 1 = 1 - sw$.

Turn over

6. In the Marxian theory, the organic composition of capital is defined as _____.
- The ratio of variable capital to total capital.
 - The ratio of constant capital to total capital.
 - The ratio of surplus value to variable capital.
 - The ratio of variable capital to surplus value.
7. Dorothy Bradley is associated more with _____ Hypothesis.
- Relative Income.
 - Permanent Income.
 - Absolute Income.
 - Lifecycle.
8. The sum of excess demand in each market is identically equal to zero :
- Walras' Identity.
 - Says' Identity.
 - Keynesian Identity.
 - Classical Identity.
9. Which of the following is also called as Keynesian Unemployment ?
- Frictional.
 - Voluntary.
 - Involuntary.
 - Structural.
10. Money has no real effect explains _____.
- Neutrality of Money.
 - Monetary Neutrality.
 - Dichotomy.
 - Wealth Effect.
11. Global Multi Dimensional Poverty Index has been used by UN since _____.
- 2010.
 - 2014.
 - 2002.
 - 2017.
12. Tariff levied as a fixed percentage of the value of the traded commodity is called _____.
- Ad-Valorem Tariff.
 - Tariff rate Quota.
 - Compound tariff.
 - Specific Tariff.
13. UN was established in the year :
- 1940, June 4th.
 - 1914, September 14th.
 - 1945, October 24th.
 - 1935, November 14th.

14. The theoretical inference that the balanced budget has multiplier effect :
- a) Fiscal Stabilizer.
 - b) Haavelmo Effect.
 - c) Pump Priming.
 - d) Kuznets Puzzle.
15. Inventor of Rational Expectation Hypothesis :
- a) John Muth.
 - b) Leijonhufvud.
 - c) Clover.
 - d) Edward Prescott.
16. The use 'policy to smooth out the business cycle' :
- a) Macroeconomic policy activism.
 - b) Fiscal activism.
 - c) Monetary activism.
 - d) Laissez faire.
17. Prediction that a one percentage point increase in the expected inflation rate will raise the nominal interest rate by one percentage point, leaving the real expected interest rate unaffected.
- a) Marshall Effect.
 - b) Fisher Effect.
 - c) Friedman Effect.
 - d) Keynes Effect.
18. Share of agriculture in India for the year 2020-21 :
- a) 26 %.
 - b) 30 %.
 - c) 20 %.
 - d) 15 %.
19. The MRTP Act has been replaced by :
- a) FERA Act.
 - b) FEMA Act.
 - c) Competition Act.
 - d) FRBM Act.
20. NITI Ayog replaced Planning Commission on _____.
- a) 15th April 2017.
 - b) 1st January 2015.
 - c) 17th August 2004.
 - d) 25th October 2002.
21. If the output of the export good has fallen along with an increase in the production of import goods, we have _____ bias in the growth of production.
- a) Ultra-anti-trade.
 - b) Anti-trade.
 - c) Pro-trade.
 - d) Ultra-pro-trade.

Turn over

30. Food grains in India are canalized by :
- a) ONGC.
 - b) FCI.
 - c) OIL.
 - d) MMTC.
31. 'Kuttanad Packages' is very well related to the name of :
- a) K N Raj.
 - b) V Kurien.
 - c) AK Sen.
 - d) M S Swaminathan.
32. In the Dual economy model economic system consists of :
- a) Primary and secondary.
 - b) Traditional and modern.
 - c) Agricultural and industrial.
 - d) Backward and downward.
33. Nerlovian model relates to :
- a) Supply response.
 - b) Supply demand gap.
 - c) Demand projections.
 - d) Sustainable development.
34. Financial Dualism is propounded by _____.
- a) H. Myint.
 - b) A. Lewis.
 - c) B. Higgins.
 - d) J.H. Boeke.
35. 'Sarvodaya' was advocated by _____.
- a) Jawaharlal Nehru.
 - b) M. K. Gandhi.
 - c) Dadabhai Naoroji.
 - d) B.R. Ambedkar.
36. Who wrote the collective choice and social welfare ?
- a) Pareto.
 - b) A C Pigou.
 - c) H H Gossen.
 - d) Amartyasen.
37. Buying and selling of the same equities in different markets at the same time with a view to benefit from price differentials between markets are called _____.
- a) Arbitrage.
 - b) Bull.
 - c) Bear.
 - d) Capital gains.
38. A provision that gives its holder the right to buy an asset at fixed price during a certain period :
- a) Put option.
 - b) Call option.
 - c) Debt swap.
 - d) None of these.

Turn over

39. One investment purchased against another investment in order to counter any loss made by either
- a) Hedge.
 - b) Arbitrage.
 - c) Risk.
 - d) Capital gains.
40. Which of the asset enjoy risk and return of ownership ?
- a) Equity.
 - b) Bond.
 - c) Insurance policies.
 - d) Treasury Bills.
41. The value of a fund asset depends on some underlying asset is called :
- a) Real asset.
 - b) Bond.
 - c) Derivative.
 - d) None of these.
42. Who introduced the Central Place Theory ?
- a) Christaller.
 - b) Losch.
 - c) Greenhut.
 - d) S. Florence.
43. Which variable is not considered in measuring the size of a firm or plant :
- a) Employment.
 - b) Profits.
 - c) Sales.
 - d) Assets.
44. A private sector business organization owned and controlled by a single individual is called :
- a) State owned enterprise.
 - b) Corporate firm.
 - c) Sole proprietorship.
 - d) None of the above.
45. Industrial Finance Corporation of India was established in :
- a) 1948.
 - b) 1993.
 - c) 1951.
 - d) 2001.
46. Which country accounts for highest share of FDI in India :
- a) Singapore.
 - b) USA.
 - c) Mauritius.
 - d) China.
47. The Chairman of Sixth State Finance Commission of Kerala :
- a) S.M.Vijayanand.
 - b) Prabhath Patnaik.
 - c) Thomas Isec.
 - d) K.M.Mani.

