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(Pages : 12)

Name.....

Reg. No.....

CALICUT UNIVERSITY COMMON ENTRANCE TEST (CU-CET), APRIL 2026
INTEGRATED M.A. ECONOMICS

Time : Two Hours

Maximum : 400 Marks

Each question carries 4 marks.

One mark will be deducted for each wrong answer.

1. The Law of Demand states that, other things being equal, when the price of a good increases, its quantity demanded :
 - (a) Increases.
 - (b) Decreases.
 - (c) Remains constant.
 - (d) Becomes zero.
2. Opportunity cost arises due to :
 - (a) Unlimited resources.
 - (b) Scarcity of resources.
 - (c) Inflation.
 - (d) Government regulations.
3. If the price of petrol rises, the demand for cars will likely to :
 - (a) Increase.
 - (b) Decrease.
 - (c) Remain constant.
 - (d) Become perfectly inelastic.
4. Changes in which of the following would cause a shift in the demand curve for a good ?
 - (a) Consumer income.
 - (b) Price of the good.
 - (c) Quantity supplied.
 - (d) Cost of production.
5. The income elasticity of demand for inferior goods is :
 - (a) Positive.
 - (b) Negative.
 - (c) Zero.
 - (d) Greater than 1.
6. Which of the following is a fixed cost ?
 - (a) Raw material cost.
 - (b) Wages to the workers.
 - (c) Cost of factory building.
 - (d) Electricity charges.
7. In a planned economy, who typically makes production decisions ?
 - (a) Individual consumers.
 - (b) Private businesses.
 - (c) The Government.
 - (d) International organizations.
8. If two goods are substitutes, the cross elasticity of demand will be :
 - (a) Positive.
 - (b) Negative.
 - (c) Zero.
 - (d) Infinite.

Turn over

9. The short-run production function assumes that :
- (a) All inputs are variable.
 - (b) No inputs are fixed.
 - (c) Capital and labour are always fixed.
 - (d) Some input are fixed, while others are variable.
10. The relationship between output and cost is experienced by :
- (a) The revenue function.
 - (b) The production function.
 - (c) The cost function.
 - (d) The law of supply.
11. Total revenue is calculated as :
- (a) Price $\times$ Quantity sold.
 - (b) Price + Marginal revenue.
 - (c) Total cost - Profit.
 - (d) Average cost $\times$ Output.
12. When total revenue is maximum, marginal revenue is :
- (a) Positive.
 - (b) Negative.
 - (c) Zero.
 - (d) Equal to total revenue.
13. If the marginal cost is greater than the marginal revenue, the producer should :
- (a) Increase production.
 - (b) Decrease production.
 - (c) Keep production constant.
 - (d) Shut down production.
14. A supply curve typically slopes :
- (a) Downward from left to right.
 - (b) Upward from left to right.
 - (c) Horizontally.
 - (d) Vertically.
15. What happens when the price of inputs used in production decreases ?
- (a) Supply shifts leftward.
 - (b) Supply shifts rightward.
 - (c) Supply remains unchanged.
 - (d) Price decreases.
16. Which of the following is an example of a direct tax ?
- (a) Goods and Service Tax.
 - (b) Value Added Tax.
 - (c) Corporate Tax.
 - (d) Customs Duty.
17. Using current resources to meet the development needs of the present without compromising the needs of future generations is known as :
- (a) Sustainable development.
 - (b) Resource development.
 - (c) Industrialization.
 - (d) Internationalization.

18. If the percentage change in quantity demanded is greater than the percentage change in price, then the demand is :
- (a) Elastic.
 - (b) Inelastic.
 - (c) Unitary elastic.
 - (d) Perfectly inelastic.
19. Which of the following is NOT a method of measuring national income ?
- (a) Income method.
 - (b) Output method.
 - (c) Savings method.
 - (d) Expenditure method.
20. Which of the following is NOT included in GDP calculations ?
- (a) Wages paid to employees.
 - (b) Sales of second-hand goods.
 - (c) Government expenditure on infrastructure.
 - (d) Profits earned by firms.
21. Which of the following is added to GDP to obtain Gross National Product (GNP) ?
- (a) Depreciation.
 - (b) Net factor income from abroad.
 - (c) Indirect taxes.
 - (d) Government subsidies.
22. The GDP deflator is used to :
- (a) Convert Nominal GDP to Real GDP.
 - (b) Measure income inequality.
 - (c) Calculate government deficit.
 - (d) Estimate total population growth.
23. In a two-sector economy, the major participants in the circular flow are :
- (a) Households and firms.
 - (b) Government and foreign sector.
 - (c) Banks and financial institutions.
 - (d) Firms and foreign investors.
24. In the circular flow model, firms provide households with :
- (a) Wages, rent and profits.
 - (b) Government subsidies.
 - (c) Only wages.
 - (d) Bank loans.
25. Which of the following is an injection into the circular flow of income ?
- (a) Taxes.
 - (b) Savings.
 - (c) Imports.
 - (d) Government expenditure.

Turn over

26. In an open economy, which additional sector is introduced into the circular flow of income ?
(a) Banking sector. (b) Foreign sector.
(c) Household sector. (d) Private sector.
27. Which of the following is NOT a component of aggregate demand ?
(a) Consumer spending. (b) Business investment.
(c) Government spending. (d) Money supply.
28. Which of the following is NOT a key factor in determining national income in the Keynesian model ?
(a) Wage rate. (b) Consumption.
(c) Investment. (d) Government spending.
29. If the marginal propensity to consume is 0.8, what is the value of the multiplier ?
(a) 2. (b) 4.
(c) 5. (d) 8.
30. A high marginal propensity to save leads to :
(a) A higher multiplier. (b) A lower multiplier.
(c) No change in the multiplier. (d) A negative multiplier.
31. The minimum amount of deposit that the commercial banks in India are required to maintain as reserves with the Reserve Bank of India is called :
(a) Repo Rate. (b) Bank rate.
(c) Cash Reserve Ratio. (d) Statutory Liquidity Ratio.
32. Which measure of central tendency is most affected by extreme values ?
(a) Mean. (b) Median.
(c) Mode. (d) Variance.
33. If a dataset has the values : 2, 3, 3, 5, 6, 8, 10, what is the mode ?
(a) 3. (b) 5.
(c) 6. (d) 8.
34. If the mean and median of a dataset are equal, the distribution is likely to be :
(a) Symmetrical. (b) Positively skewed.
(c) Negatively skewed. (d) Bimodal.

35. Which of the following is NOT a measure of dispersion ?
(a) Range. (b) Mean.
(c) Standard deviation. (d) Variance.
36. Which measure of dispersion is most commonly used in statistics ?
(a) Range. (b) Interquartile range.
(c) Standard deviation. (d) Quartile deviation.
37. Which of the following is a relative measure of dispersion ?
(a) Range. (b) Coefficient of variation.
(c) Standard deviation. (d) Mean deviation.
38. If all observations in a dataset are increased by a constant value, which of the following remains unchanged ?
(a) Arithmetic mean. (b) Geometric mean.
(c) Median. (d) Variance.
39. If two variables move in the same direction, their correlation is :
(a) Positive. (b) Negative.
(c) Zero. (d) Undefined.
40. If the correlation between two variables is 0.95, what does this imply ?
(a) Strong positive correlation. (b) Strong negative correlation.
(c) No correlation. (d) Weak correlation.
41. The Laspeyres index uses :
(a) Current year quantities as weights.
(b) Base year quantities as weights.
(c) Current year prices as weights.
(d) Base year prices as weights.
42. The base year index for index numbers is always considered as :
(a) 0. (b) 1.
(c) 100. (d) 50.
43. When data is arranged based on time periods, it is called :
(a) Geographical classification. (b) Chronological classification.
(c) Qualitative classification. (d) Quantitative classification.

Turn over

44. A researcher sits in a shopping mall and notes customer behaviour without interacting with them. This is an example of :
- (a) Experimental research. (b) Direct observation.
(c) Survey research. (d) Case study.
45. The program that was launched to provide 100 days of wage employment to rural households is :
- (a) PM-KISAN. (b) MGNREGA.
(c) Viksit Bharat. (d) PM Garib Kalyan Yojana.
46. Which number system uses only two digits, 0 and 1 ?
- (a) Decimal. (b) Octal.
(c) Binary. (d) Hexadecimal.
47. If every element of set A is also an element of set B, then A is called a :
- (a) Universal set. (b) Subset of B.
(c) Power set. (d) Disjoint set.
48. If $A = \{1, 2, 3, 4, 5\}$ and $B = \{3, 4, 5, 6, 7\}$, then $A - B$ is :
- (a) $\{1, 2\}$. (b) $\{6, 7\}$.
(c) $\{3, 4, 5\}$. (d) ϕ .
49. A matrix in which all the diagonal elements are 1 and the rest are 0 is called :
- (a) Null matrix. (b) Identity matrix.
(c) Diagonal matrix. (d) Scalar matrix.
50. If A is an $m \times n$ matrix and B is an $n \times p$ matrix, then the order of AB is :
- (a) $n \times n$. (b) $m \times p$.
(c) $p \times m$. (d) $m \times n$.
51. The determinant of a singular matrix is always :
- (a) 1. (b) 0.
(c) -1. (d) Any real number.
52. The derivative of a constant function is always :
- (a) 0. (b) 1.
(c) The constant itself. (d) Undefined.
53. The second derivative of $f(x) = x^4$ is :
- (a) $12x^2$. (b) $8x$.
(c) $4x^3$. (d) $16x^3$.

54. Which institution was responsible for formulating India's Five Year Plans ?
(a) Reserve Bank of India. (b) National Sample Survey Office.
(c) Planning Commission. (d) Finance Ministry.
55. The objective of the First Five Year Plan was mainly focused on :
(a) Industrial growth. (b) Agriculture and irrigation.
(c) Foreign trade. (d) Banking sector.
56. Which are the crops that received the major focus during the Green Revolution ?
(a) Pulses and oilseeds. (b) Wheat and rice.
(c) Maize and millets. (d) Fruits and vegetables.
57. The Human Development Report is published by :
(a) The IMF. (b) The World Bank.
(c) The UNDP. (d) The WTO.
58. Which of the following is NOT a feature of economic reforms in India ?
(a) Liberalization. (b) Nationalization.
(c) Globalization. (d) Privatization.
59. Which of the following is an indicator of human development ?
(a) GDP growth rate. (b) Literacy rate.
(c) Inflation rate. (d) Fiscal deficit.
60. The Self-Help Group movement mainly focusses on :
(a) Improving agricultural productivity.
(b) Large-scale industrialization.
(c) Providing microfinance to the poor.
(d) Establishing charitable societies.
61. Which institution is responsible for rural credit and development ?
(a) SEBI. (b) NABARD.
(c) RBI. (d) IRDA.
62. Which of the following programs is aimed at financial inclusion in India ?
(a) Digital India.
(b) Start-up India.
(c) Pradhan Mantri Jan Dhan Yojana.
(d) Pradhan Mantri Awas Yojana.

Turn over

63. At present, which sector contributes the highest to India's Gross Domestic Product ?
(a) Agriculture. (b) Industry.
(c) Services. (d) Manufacturing.
64. Which of the following is the official agency for estimating poverty in India ?
(a) Reserve Bank of India. (b) NITI Aayog.
(c) Ministry of Finance. (d) National Sample Survey Office.
65. Which of the following is a major government initiative to improve school education in India ?
(a) Sarva Shiksha Abhiyan. (b) Make in India.
(c) Digital India. (d) Startup India.
66. Which sector does benefit the most due to human capital formation in India ?
(a) Primary sector. (b) Secondary sector.
(c) Tertiary sector. (d) Agricultural sector.
67. Which of the following is a major health initiative launched by the Government of India ?
(a) Ayushman Bharat Yojana.
(b) Atmanirbhar Bharat.
(c) Pradhan Mantri Jan Dhan Yojana.
(d) Pradhan Mantri Kaushal Vikas Yojana.
68. Which sector employs the largest workforce in India ?
(a) Industrial sector. (b) Agricultural sector.
(c) Service sector. (d) IT sector.
69. Which of the following is a feature of informal employment in India ?
(a) Fixed wages and job security. (b) Social security benefits.
(c) No job security and low wages. (d) Government pension benefits.
70. Which sector was given the top priority in the Second Five Year Plan ?
(a) Heavy industry. (b) Energy.
(c) Services. (d) Information Technology.
71. Which method of ownership is mostly used in recent years for developing infrastructure in India ?
(a) The Government only. (b) Public sector only.
(c) Private sector only. (d) Public-Private Partnership.

72. Which organization is responsible for developing India's national highways ?
(a) Indian Railways. (b) Ministry of Heavy Industries.
(c) State Transport Corporations. (d) National Highways Authority of India.
73. Which of the following is a major source of power generation in India ?
(a) Thermal power. (b) Wind energy.
(c) Solar energy. (d) Tidal energy.
74. Which Indian port is the largest in terms of cargo handling ?
(a) Kandla Port. (b) Mumbai Port.
(c) Chennai Port. (d) Visakhapatnam Port.
75. Which of the following is NOT a renewable source of energy ?
(a) Solar power. (b) Wind energy.
(c) Coal. (d) Hydropower.
76. Which Indian state has the highest forest cover ?
(a) Kerala. (b) Karnataka.
(c) Maharashtra. (d) Madhya Pradesh.
77. India is a member of which international agreement for climate change mitigation ?
(a) Kyoto Protocol. (b) Paris Agreement.
(c) NATO Agreement. (d) ASEAN Agreement.
78. Which of the following is NOT a function of the Reserve Bank of India ?
(a) Regulating monetary policy. (b) Issuing currency.
(c) Managing foreign exchange. (d) Providing loans to individuals.
79. Which financial institution in India regulates the stock markets ?
(a) Reserve Bank of India.
(b) Securities and Exchange Board of India.
(c) Insurance Regulatory and Development Authority.
(d) Ministry of Finance.
80. What is the Fiscal year period for the Indian Government ?
(a) April 1 - March 31. (b) January 1 - December 31.
(c) July 1 - June 30. (d) October 1 - September 30.

Turn over

81. The price of one currency in terms of another currency is known as :
(a) Repo rate. (b) Interest rate.
(c) Exchange rate. (d) Discount rate.
82. Who presents the Union Budget in India ?
(a) Speaker of Lok Sabha. (b) Finance Minister.
(c) President of India. (d) RBI Governor.
83. Balance of Payments (BoP) consists of :
(a) Current Account.
(b) Capital Account.
(c) Both current and Capital Accounts.
(d) Only trade balance.
84. Which of the following is recorded in the capital account of Balance of Payments ?
(a) Remittances from abroad. (b) Foreign direct investments.
(c) Software exports. (d) Import of crude oil.
85. Which of the following best describes a trade surplus ?
(a) Imports exceed exports.
(b) Exports exceed imports.
(c) Government revenue higher than its expenditure.
(d) Government borrows from the public.
86. Which of the following is NOT a direct tax in India ?
(a) Income Tax. (b) Corporate Tax.
(c) Goods and Services Tax. (d) Wealth Tax.
87. When a Government's total expenditure exceeds its total revenue (excluding borrowings) in a given Fiscal year, it is called :
(a) Revenue deficit. (b) Trade deficit.
(c) Fiscal deficit. (d) BoP deficit.
88. Which tax is NOT a part of the Goods and Services Tax in India ?
(a) Excise Duty. (b) Service Tax.
(c) Property Tax. (d) Value Added Tax.

89. Which is the recent mission by the Government of India to make the country self-reliant in all the sense ?
- (a) Make in India. (b) Atmanirbhar Bharat.
(c) Digital India. (d) Startup India.
90. What is the current base year for calculating India's GDP ?
- (a) 2004-05. (b) 2011-12.
(c) 2015-16. (d) 2020-21.
91. The Sagarmala Project is associated with :
- (a) Development of rural roads. (b) Port-led infrastructure development.
(c) Expansion of railway networks. (d) Urban sanitation programs.
92. Human capital refers to :
- (a) Stock of machines and equipment.
(b) Stock of skilled and educated people.
(c) Stock of financial capital.
(d) People dealing with capital.
93. The value of the next best alternative foregone is known as :
- (a) Opportunity cost. (b) Marginal cost.
(c) Average cost. (d) Variable cost.
94. The amount of a product that the consumers are willing and able to buy at a given price is known as :
- (a) Quantity supplied. (b) Quantity demanded.
(c) Consumer surplus. (d) Producer surplus.
95. The additional output from an additional unit of input is called :
- (a) Average revenue. (b) Average cost.
(c) Marginal profit. (d) Marginal product.
96. The cost that does not change with the level of output in the short run is referred as :
- (a) Variable cost. (b) Fixed cost.
(c) Opportunity cost. (d) Implicit cost.
97. Which international organization provided financial assistance to India during the 1991 economic crisis ?
- (a) United Nations. (b) World Bank.
(c) World Health Organization. (d) International Monetary Fund.

Turn over

98. India's demographic dividend refers to :
- (a) The large working-age population.
 - (b) The growing urban population.
 - (c) The rising number of immigrants.
 - (d) The increasing proportion of elderly people.
99. A movement along the supply curve is caused by :
- (a) A change in price of the good itself.
 - (b) A change in production technology.
 - (c) A change in government policies.
 - (d) A change in input costs.
100. Which of the following is deducted from GDP to calculate Net Domestic Product (NDP) ?
- (a) Depreciation.
 - (b) Net exports.
 - (c) Government expenditure.
 - (d) Net factor income from abroad.