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(Pages : 15)

Name.....

Reg. No.....

CALICUT UNIVERSITY COMMON ENTRANCE TEST (CU-CET), APRIL 2026

ECONOMICS

Time : Two Hours

Maximum : 400 Marks

Each question carries 4 marks.

One mark will be deducted for each wrong answer.

1. A theory is :
 - (a) An assumption.
 - (b) A tested hypothesis.
 - (c) A guess.
 - (d) A model.
2. The basic problem "what to produce" arises due to :
 - (a) Abundance.
 - (b) Scarcity.
 - (c) Inflation.
 - (d) Demand.
3. Marginal utility becomes zero when :
 - (a) Total utility is maximum.
 - (b) Total utility is minimum.
 - (c) Demand increases.
 - (d) Supply increases
4. In a free-market economy, economic problems are solved by :
 - (a) Government.
 - (b) Price mechanism.
 - (c) Society.
 - (d) Firms.
5. Giffen goods have :
 - (a) Negative income effect.
 - (b) Positive substitution effect.
 - (c) Upward sloping demand curve.
 - (d) Perfectly elastic demand.

Turn over

6. In demand function, quantity demanded is :
- (a) Independent variable.
 - (b) Dependent variable.
 - (c) Constant.
 - (d) Fixed.
7. Isoquant represents :
- (a) Equal cost.
 - (b) Equal output.
 - (c) Equal utility.
 - (d) Equal profit.
8. Returns to scale apply in :
- (a) Short run.
 - (b) Long run.
 - (c) Market equilibrium.
 - (d) Demand theory.
9. Dynamics studies:
- (a) Equilibrium only.
 - (b) Time path of adjustment.
 - (c) Static condition.
 - (d) Price only.
10. Example of positive economics :
- (a) Inflation should be reduced.
 - (b) Inflation is rising.
 - (c) Government must act.
 - (d) Tax is unfair.
11. Adverse selection arises due to :
- (a) Symmetric info.
 - (b) Asymmetric info.
 - (c) Cost.
 - (d) Demand.
12. Utility under uncertainty uses :
- (a) Probability.
 - (b) Demand.
 - (c) Supply.
 - (d) Cost.
13. Cross elasticity positive implies :
- (a) Complementary goods.
 - (b) Substitute goods.
 - (c) Inferior goods.
 - (d) Giffen goods.

14. Schemes like MGNREGA and PMRY differ mainly because :
- (a) One targets demand, the other supply side.
 - (b) One provides wage employment, the other promotes self-employment.
 - (c) Both are identical.
 - (d) Both are monetary tools.
15. A lump-sum tax imposed on a monopolist will :
- (a) Increase MC.
 - (b) Shift MC upward.
 - (c) Not affect output decision.
 - (d) Reduce marginal revenue.
16. Producer equilibrium occurs when :
- (a) $MRTS = \text{price ratio}$.
 - (b) $MR = MC$.
 - (c) $TR = TC$.
 - (d) Cost is zero.
17. Long-run cost curve is :
- (a) Flat.
 - (b) Envelope curve.
 - (c) Vertical.
 - (d) Horizontal.
18. Average product equals marginal product at :
- (a) Maximum AP.
 - (b) Minimum AP.
 - (c) Zero AP.
 - (d) Infinite AP.
19. Kinked demand curve shows :
- (a) Price rigidity.
 - (b) Price flexibility
 - (c) Demand shift.
 - (d) Supply shift.
20. Public goods are :
- (a) Rival.
 - (b) Non-rival.
 - (c) Private.
 - (d) Costly.

Turn over

21. Neoclassical theory assumes :
- (a) Wage rigidity.
 - (b) Flexible wages.
 - (c) Demand deficiency.
 - (d) Idle resources.
22. The LM curve shifts right when :
- (a) Money demand increases.
 - (b) Money supply increases.
 - (c) Interest rate rises.
 - (d) Output falls.
23. Structural unemployment is due to :
- (a) Seasonal factors.
 - (b) Skill mismatch.
 - (c) Temporary jobs.
 - (d) Inflation.
24. Which theory best explains cyclical fluctuations using expectations ?
- (a) Hawtrey.
 - (b) Keynes.
 - (c) Schumpeter.
 - (d) Hicks.
25. If innovations suddenly stop, Schumpeter predicts :
- (a) Boom.
 - (b) Stability.
 - (c) Recession.
 - (d) Inflation.
26. In Hicks model, cycles are bounded by :
- (a) Demand and supply.
 - (b) Ceiling and floor.
 - (c) Interest rate.
 - (d) Investment.
27. Which feature distinguishes business cycles from random fluctuations ?
- (a) Lack of pattern.
 - (b) Periodicity and self-reinforcing nature.
 - (c) Dependence only on agriculture.
 - (d) Absence of investment fluctuations.

28. Which theory best explains money demand under uncertainty ?
- (a) Fisher. (b) Cambridge.
(c) Keynes. (d) Tobin.
29. If income rises and interest rate remains constant, total money demand will :
- (a) Fall. (b) Rise.
(c) Remain constant. (d) Become zero.
30. Co-ordination between monetary and fiscal policy is important because :
- (a) They substitute each other. (b) They complement each other.
(c) They cancel each other. (d) They are independent.
31. Optimal number of transactions is derived by :
- (a) Minimizing cost. (b) Maximizing utility.
(c) Maximizing income. (d) Minimizing demand.
32. When the central bank sells government bonds :
- (a) Money supply increases. (b) Money supply decreases.
(c) Interest rates fall. (d) Investment increases.
33. If intended saving exceeds intended investment, the economy will experience :
- (a) Inflation.
(b) Overproduction and unemployment.
(c) Full employment.
(d) Balanced growth.
34. In Keynesian theory, equality between saving and investment is :
- (a) Always automatic.
(b) Achieved through interest rate flexibility.
(c) Achieved through income adjustments.
(d) Guaranteed by markets.

Turn over

35. Deficiency of effective demand leads to :
- (a) Inflation.
 - (b) Full employment.
 - (c) Unemployment.
 - (d) Growth.
36. Autonomous consumption is :
- (a) Independent of income.
 - (b) Dependent on income.
 - (c) Elastic.
 - (d) None of these.
37. Government spending multiplier works through :
- (a) Supply.
 - (b) Demand.
 - (c) Price.
 - (d) Exchange rate.
38. A weaker currency due to monetary expansion will :
- (a) Reduce exports.
 - (b) Increase imports.
 - (c) Boost exports.
 - (d) Reduce GDP.
39. Crowding out effect relates to :
- (a) Fiscal policy.
 - (b) Monetary policy.
 - (c) Trade.
 - (d) Supply.
40. If the Net Reproduction Rate (NRR) = 1, it implies:
- (a) Population decline.
 - (b) Population growth.
 - (c) Replacement level fertility.
 - (d) High mortality.
41. HDI includes :
- (a) Income.
 - (b) Education.
 - (c) Health.
 - (d) All.
42. If inflation rises sharply, the best policy mix is :
- (a) Expansionary monetary + expansionary fiscal.
 - (b) Contractionary monetary + contractionary fiscal.
 - (c) Expansionary monetary + contractionary fiscal.
 - (d) No policy.

43. Poverty line refers to :
- (a) Income level.
 - (b) Minimum consumption.
 - (c) Wealth.
 - (d) Employment.
44. Investment demand in the short run depends mainly on :
- (a) Income.
 - (b) Consumption.
 - (c) MEC and interest rate.
 - (d) Population.
45. The major limitation of liquidity preference theory is :
- (a) Too simple.
 - (b) Ignores expectations diversity.
 - (c) Ignores income.
 - (d) Ignores interest rate.
46. In the long run, investment is influenced by :
- (a) Only income.
 - (b) Only interest rate.
 - (c) Technology and population growth.
 - (d) Only saving.
47. NITI Aayog replaced :
- (a) RBI.
 - (b) Planning Commission.
 - (c) SEBI.
 - (d) NABARD.
48. Human capital includes :
- (a) Education.
 - (b) Skills.
 - (c) Health.
 - (d) All.
49. If the interest rate increases, optimal cash holding will :
- (a) Increase.
 - (b) Decrease.
 - (c) Remain constant.
 - (d) Double.

Turn over

50. Demographic dividend refers to :

- (a) Aging population.
- (b) Working population.
- (c) Migration.
- (d) Death rate.

51. Fiscal expansion increases employment by :

- (a) Reducing supply.
- (b) Increasing effective demand.
- (c) Increasing saving.
- (d) Reducing wages.

52. Crowding-out argument suggests that :

- (a) Govt. spending increases output.
- (b) Govt. spending reduces private investment.
- (c) Taxes reduce demand.
- (d) Interest rate falls.

53. If government reduces taxes, the immediate effect is :

- (a) Increase in saving.
- (b) Increase in disposable income and demand.
- (c) Decrease in income.
- (d) Decrease in investment.

54. Inflation targeting in India is done by :

- (a) RBI.
- (b) SEBI.
- (c) Govt.
- (d) IMF.

55. GST is :

- (a) Direct tax.
- (b) Indirect tax.
- (c) Wealth tax.
- (d) Income tax.

56. Fiscal deficit means :

- (a) Revenue - expenditure.
- (b) Total expenditure - revenue.
- (c) Tax - subsidy
- (d) Income - saving.

57. NABARD deals with :
- (a) Industry.
 - (b) Agriculture.
 - (c) Trade.
 - (d) Finance.
58. SEBI regulates :
- (a) Banks.
 - (b) Capital market.
 - (c) Agriculture.
 - (d) Trade.
59. Disinvestment means :
- (a) Govt. buying shares.
 - (b) Govt. selling shares.
 - (c) Tax increase.
 - (d) Subsidy.
60. Make in India promotes :
- (a) Agriculture.
 - (b) Manufacturing.
 - (c) Trade.
 - (d) Services.
61. OLS minimizes :
- (a) Absolute errors.
 - (b) Squared errors.
 - (c) Variance.
 - (d) Cost.
62. Correlation co-efficient lies between :
- (a) 0 to 1.
 - (b) - 1 to + 1.
 - (c) 0 to ∞ .
 - (d) - ∞ to ∞ .
63. Central Limit Theorem leads to :
- (a) Uniform distribution.
 - (b) Normal distribution.
 - (c) Poisson distribution.
 - (d) Exponential distribution.
64. Variance measures :
- (a) Central tendency.
 - (b) Dispersion.
 - (c) Correlation.
 - (d) Regression.

Turn over

65. A sample space is :

- (a) A subset.
- (b) Set of outcomes.
- (c) Event.
- (d) Function.

66. A major challenge faced by return migrants in Kerala is :

- (a) Excess employment opportunities.
- (b) Lack of reintegration and suitable jobs.
- (c) High agricultural productivity.
- (d) Low education.

67. The Crude Birth Rate (CBR) is best defined as :

- (a) Number of live births per 1,000 women of reproductive age.
- (b) Number of live births per 1,000 population in a year.
- (c) Number of births per 1,000 married women.
- (d) Number of female births per 1,000 population.

68. Time series data varies over :

- (a) Time.
- (b) Space.
- (c) Both.
- (d) None.

69. Variance of standard normal is :

- (a) 0.
- (b) 1.
- (c) 2.
- (d) ∞ .

70. Dummy variable is:

- (a) Quantitative.
- (b) Qualitative.
- (c) Continuous.
- (d) Discrete.

71. Derivative of x^2 is :

- (a) x .
- (b) $2x$.
- (c) x^2 .
- (d) 2.

72. Point estimation gives :

- (a) Interval.
- (b) Single value.
- (c) Range.
- (d) Distribution.

73. Matrix order is :

- (a) Rows.
- (b) Columns.
- (c) Rows $\times$ columns.
- (d) None.

74. Bayes theorem relates :

- (a) Prior and posterior.
- (b) Mean and variance.
- (c) Demand and supply.
- (d) Cost and revenue.

75. Two events are independent if :

- (a) $P(A \cap B) = 0$.
- (b) $P(A \cap B) = P(A) + P(B)$.
- (c) $P(A \cap B) = P(A) P(B)$.
- (d) $P(A) = P(B)$.

76. Z-score measures :

- (a) Deviation in SD units.
- (b) Mean
- (c) Median.
- (d) Mode.

77. Confidence interval gives :

- (a) Exact value.
- (b) Range.
- (c) Mean.
- (d) Mode.

78. Convergence in probability means :

- (a) Exact equality.
- (b) Approximation.
- (c) Infinite value.
- (d) Zero.

79. Normal distribution is :

- (a) Skewed.
- (b) Symmetrical.
- (c) Vertical.
- (d) Horizontal.

Turn over

80. The decline of Indian handicrafts cannot be explained solely by :
- (a) Colonial policies.
 - (b) Industrial Revolution in Britain.
 - (c) Internal technological stagnation alone.
 - (d) Tariff discrimination.
81. The structural transformation of Indian economy under British rule resulted in :
- (a) Industrial self-sufficiency.
 - (b) Export of finished goods.
 - (c) Export of raw materials and import of manufactured goods.
 - (d) Balanced growth.
82. The low per capita income growth (0.5 %) suggests :
- (a) High population growth offsetting output growth.
 - (b) Rapid increase in productivity.
 - (c) Decline in population.
 - (d) Industrial expansion
83. Dadabhai Naoroji's contribution was significant because he :
- (a) Developed IS-LM model.
 - (b) Estimated national income and drain of wealth.
 - (c) Promoted industrialization.
 - (d) Introduced planning.
84. Commercialization of agriculture resulted in :
- (a) Increase in food security.
 - (b) Shift to subsistence farming.
 - (c) Decline in food crop production.
 - (d) Industrial growth.

85. The "twofold motive" of deindustrialisation was :
- (a) Increase agriculture and trade.
 - (b) Promote exports and imports.
 - (c) Supply raw materials and create market for British goods.
 - (d) Increase income and employment.
86. The tariff-free import of British goods caused :
- (a) Growth of Indian industries.
 - (b) Price rise.
 - (c) Decline of domestic industries.
 - (d) Agricultural development.
87. Capital goods industries are important because they :
- (a) Produce consumption goods.
 - (b) Produce machines for further production.
 - (c) Increase imports.
 - (d) Reduce employment.
88. Type I error means :
- (a) Accept true H_0 .
 - (b) Reject true H_0 .
 - (c) Accept false H_0 .
 - (d) Reject false H_0 .
89. ANOVA compares :
- (a) Means.
 - (b) Variances.
 - (c) Probabilities.
 - (d) Frequencies.
90. Census covers :
- (a) Sample.
 - (b) Entire population.
 - (c) Partial.
 - (d) None.

Turn over

91. Non-parametric tests require :

- (a) Distribution assumption.
- (b) No distribution assumption.
- (c) Normality.
- (d) Large sample only.

92. Research begins with :

- (a) Problem.
- (b) Conclusion.
- (c) Data.
- (d) Theory.

93. Simulation is :

- (a) Model experiment.
- (b) Survey.
- (c) Observation.
- (d) Interview.

94. Arbitrage means :

- (a) Buying cheap selling high.
- (b) Speculation.
- (c) Hedging.
- (d) Saving.

95. The LPG reforms together aim at :

- (a) Closed economy.
- (b) State dominance.
- (c) Market-oriented economy.
- (d) Socialist planning.

96. WTO aims to :

- (a) Restrict trade.
- (b) Promote free and fair trade.
- (c) Control inflation.
- (d) Regulate banks.

97. Privatisation reduces :

- (a) Private sector role.
- (b) Government ownership.
- (c) Market competition.
- (d) Efficiency.

98. Devaluation of rupee in 1991 was intended to :

- (a) Reduce exports.
- (b) Improve BoP by boosting exports.
- (c) Increase imports.
- (d) Stabilise prices.

99. Industrial delicensing implies :

- (a) More regulation.
- (b) Removal of licensing requirements.
- (c) Nationalisation.
- (d) Price control.

100. Stabilisation measures are :

- (a) Long-term reforms.
- (b) Structural changes.
- (c) Short-term macroeconomic corrections.
- (d) Trade policies.

(100 × 4 = 400 marks)

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(Pages : 16)

Name.....

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CALICUT UNIVERSITY CENTRALIZED ENTRANCE TEST (CU-CET)
APRIL 2025

INTEGRATED M.A ECONOMICS

Time : Two Hours

Maximum : 400 Marks

Each question carries 4 marks.

1 mark will be deducted for each wrong answer.

1. If the price of a substitute good increases, the demand for the original good will :
(A) Increase. (B) Decrease.
(C) Remain unchanged. (D) Become zero.
2. What happens to the demand for a normal good when consumer income increases ?
(A) Demand increases. (B) Demand decreases.
(C) Demand remains the same. (D) None of the above.
3. The difference between what a consumer is willing to pay and what they actually pay is known as :
(A) Law of demand. (B) Consumer equilibrium.
(C) Consumer surplus. (D) Consumer revenue.
4. Which type of goods have negative income elasticity of demand ?
(A) Normal goods. (B) Luxury goods.
(C) Inferior goods. (D) Necessities.
5. Other things being the same, the quantity demanded tends to fall as price rises because of :
(A) Bandwagon effect.
(B) Wealth effect.
(C) Demonstration effect.
(D) Substitution and income effects.

Turn over

6. If a good has many close substitutes, its price elasticity of demand is likely to be :
- (A) Elastic. (B) Inelastic
(C) Perfectly inelastic. (D) Unitary elastic.
7. The production function expresses the relationship between :
- (A) Cost and revenue. (B) Inputs and output.
(C) Demand and supply. (D) Profit and loss.
8. As additional units of a variable input are added to a fixed input keeping other factors constant, the additional output initially increases but eventually decreases. This is known as :
- (A) Decreasing returns to scale.
(B) Increasing returns to scale.
(C) The law of variable proportion.
(D) The law of diminishing marginal returns.
9. In the long-run production function, firms can :
- (A) Change only labor inputs. (B) Change only capital inputs.
(C) Change all inputs. (D) Cannot change any input.
10. The cost incurred on producing one extra unit of output is called :
- (A) Total cost. (B) Average cost.
(C) Marginal cost. (D) Fixed cost.
11. Which of the following costs does NOT vary with the level of output ?
- (A) Variable cost. (B) Marginal cost.
(C) Total cost. (D) Fixed cost.
12. Average revenue is equal to :
- (A) Total revenue / quantity sold. (B) Total cost / output.
(C) Marginal revenue $\times$ price. (D) Profit / output.

13. A producer is said to be in equilibrium when :
- (A) Total revenue is maximized.
 - (B) Total cost is minimized.
 - (C) Marginal cost = Marginal revenue.
 - (D) Average cost = Average revenue.
14. The value of the best alternative that is foregone while making an economic choice, is known as:
- (A) Accounting cost.
 - (B) Opportunity cost.
 - (C) Sunk cost.
 - (D) Value added cost.
15. The Law of Supply states that :
- (A) Price and quantity supplied are inversely related.
 - (B) Price and quantity supplied are directly related.
 - (C) Supply remains constant regardless of price changes.
 - (D) Higher prices reduce supply.
16. Which of the following would cause a rightward shift in the supply curve ?
- (A) An increase in production costs.
 - (B) A decrease in the price of the good.
 - (C) An improvement in technology.
 - (D) Higher taxes on production.
17. What happens to the supply of a good if the government provides subsidies to producers ?
- (A) Supply decreases.
 - (B) Supply increases.
 - (C) Supply remains unchanged.
 - (D) Price becomes perfectly elastic.
18. Which of the following gases is a major contributor to global warming ?
- (A) Oxygen.
 - (B) Carbon dioxide.
 - (C) Nitrogen.
 - (D) Hydrogen.

Turn over

19. What is the term used to describe the total value of all final goods and services produced by the citizens of a country, regardless of where they are located ?
- (A) GDP. (B) GNP.
(C) NNP. (D) NDP.
20. When a government's proposed total expenditures are greater than its total receipts, it is said to have a :
- (A) Revenue deficit. (B) Revenue surplus.
(C) Budget surplus. (D) Budget deficit.
21. Human capital formation refers to :
- (A) Development of physical infrastructure.
(B) Increase in the number of industries.
(C) Investment in education and healthcare.
(D) Growth in banking and insurance.
22. Net National Product (NNP) is calculated as :
- (A) GDP - Net factor income from abroad.
(B) GDP - Depreciation.
(C) GNP - Depreciation.
(D) GNP - Indirect taxes.
23. Which of the following best represents Real GDP ?
- (A) GDP adjusted for inflation. (B) GDP at current market prices.
(C) GDP plus net indirect taxes. (D) GDP minus depreciation.
24. Which of the following is NOT a component of national income in the income method ?
- (A) Rent. (B) Wages and salaries.
(C) Transfer payments. (D) Interest.

25. Which sector is included in the three-sector circular flow model but not in the two-sector model ?
- (A) Firms. (B) Households.
(C) Government. (D) Foreign sector.
26. Which of the following represents a leakage in the circular flow of income ?
- (A) Investment. (B) Government spending.
(C) Exports. (D) Savings.
27. 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.
28. Which of the following is a component of aggregate demand ?
- (A) Net exports. (B) Supply of raw materials.
(C) Wage rates. (D) Population growth.
29. In a two-sector economy, national income equilibrium is determined when :
- (A) Savings equal investment.
(B) Exports equal imports.
(C) Taxes equal government expenditure.
(D) Consumption equals government spending.
30. The higher the marginal propensity to consume, the :
- (A) Lower the multiplier. (B) Higher the multiplier.
(C) No effect on the multiplier. (D) Multiplier remains constant.
31. If the marginal propensity to save is 0.2, what is the value of the multiplier ?
- (A) 2. (B) 4.
(C) 5. (D) 6.

Turn over

32. Which of the following is NOT a major function of the Reserve Bank of India ?
- (A) Printing currency notes.
 - (B) Controlling credit.
 - (C) Deciding government spending.
 - (D) Conduct of monetary policy.
33. If a dataset has extreme values, which measure of central tendency is the most reliable ?
- (A) Mean.
 - (B) Median.
 - (C) Mode.
 - (D) Standard deviation.
34. Which of the following is NOT a measure of central tendency ?
- (A) Mean.
 - (B) Median.
 - (C) Mode.
 - (D) Standard deviation.
35. If all values in a dataset are multiplied by 5, what happens to the mean ?
- (A) It remains unchanged.
 - (B) It is multiplied by 5.
 - (C) It is divided by 5.
 - (D) It increases by 5.
36. If the mean of a dataset is greater than the median, the distribution is likely to be :
- (A) Positively skewed.
 - (B) Negatively skewed.
 - (C) Symmetrical.
 - (D) Uniform.
37. The difference between the highest and lowest values in a dataset is known as :
- (A) Standard deviation.
 - (B) Variance.
 - (C) Mean deviation.
 - (D) Range.
38. If all the values in a dataset are identical, the standard deviation is :
- (A) Zero.
 - (B) One.
 - (C) Infinity.
 - (D) Equal to the mean.

39. If the variance of a dataset is 16, then what is the standard deviation ?
- (A) 2. (B) 4.
(C) 8. (D) 16.
40. Which of the following correlation values indicates the strongest relationship between two variables ?
- (A) 0.8. (B) 0.5.
(C) - 0.3. (D) - 0.9.
41. Which of the following method is NOT used to calculate correlation ?
- (A) Karl Pearson's method. (B) Spearman's rank method.
(C) Kendall's method. (D) Laspeyres method.
42. An index number is a statistical measure used to compare :
- (A) Absolute values of data.
(B) Relative changes over time.
(C) Only prices of commodities.
(D) Only quantities of commodities.
43. Data arranged in ascending or descending order is called :
- (A) Raw data. (B) Arrayed data.
(C) Qualitative data. (D) Grouped data.
44. Which of the following index numbers is known for using current year weights ?
- (A) Simple Index. (B) Laspeyres Index.
(C) Paasche Index. (D) Fisher's Ideal Index.
45. The process of arranging data in a systematic manner is called :
- (A) Collection of data. (B) Organization of data.
(C) Analysis of data. (D) Interpretation of data.

Turn over

46. Which of the following is an example of qualitative data ?
- (A) Number of students in a class. (B) Heights of students in a school.
(C) Blood groups of students. (D) Monthly salaries of employees.
47. Which of the following is NOT a primary data collection method ?
- (A) Observation. (B) Questionnaire.
(C) Census. (D) Government reports.
48. The base of the decimal number system is :
- (A) 2. (B) 8.
(C) 10. (D) 16.
49. If $A = \{1, 2, 3, 4\}$ and $B = \{3, 4, 5, 6\}$, then $A \cap B$ is :
- (A) $\{1, 2, 3, 4, 5, 6\}$. (B) $\{1, 2\}$.
(C) $\{3, 4\}$. (D) $\emptyset$.
50. Which of the following is always true for any two sets A and B ?
- (A) $A \cup B = B \cup A$. (B) $A \cap B = A - B$.
(C) $A \subseteq B$. (D) $A \times B = B \times A$.
51. If $A = \{a, b\}$ and $B = \{1, 2\}$, then $A \times B$ contains how many elements ?
- (A) 2. (B) 4.
(C) 6. (D) 8.
52. If all the elements of a matrix are zero, it is called a :
- (A) Scalar matrix. (B) Null matrix.
(C) Unit matrix. (D) Identity matrix.
53. Which of the following is always true for any matrix A ?
- (A) $A + A = 0$. (B) $A \times A = A$.
(C) $A \times I = A$. (D) $A + I = A$.

54. Differentiation is the process of finding the :
- (A) Area under a curve.
 - (B) Slope of a function.
 - (C) Integral of a function.
 - (D) Maximum value of a function.
55. If $f(x) = x^3 + 3x^2 + 5x + 7$, then the first derivative of $f(x)$ is :
- (A) $f'(x) = 3x^2 + 6x + 5$.
 - (B) $f'(x) = 3x^2 + 6x$.
 - (C) $f'(x) = x^2 + 3x + 5$.
 - (D) $f'(x) = 3x^3 + 6x^2 + 5x$.
56. Which year marks the beginning of India's planned economic development ?
- (A) 1947.
 - (B) 1950.
 - (C) 1951.
 - (D) 1961.
57. Which sector was given top priority in India's First Five-Year Plan ?
- (A) Industry.
 - (B) Agriculture.
 - (C) Services.
 - (D) Infrastructure.
58. The Green Revolution in India was associated with the increase in the production of :
- (A) Cotton and jute.
 - (B) Rice and wheat.
 - (C) Pulses and oilseeds.
 - (D) Fruits and vegetables.
59. Which of the following was NOT a feature of India's economic policy before 1991 ?
- (A) License Raj.
 - (B) Public sector dominance.
 - (C) Free market economy.
 - (D) Import substitution.
60. Under which Prime Minister, the New Economic Policy of 1991 was introduced ?
- (A) Rajiv Gandhi.
 - (B) P.V. Narasimha Rao.
 - (C) Manmohan Singh.
 - (D) Atal Bihari Vajpayee.

Turn over

61. Which of the following is NOT an indicator in the human development index ?
- (A) Life expectancy. (B) Per capita income.
(C) Population growth. (D) Literacy rate.
62. Which of the following is a major source of commercial energy in India?
- (A) Wind energy. (B) Solar energy.
(C) Coal. (D) Hydropower.
63. The "Make in India" initiative was launched to :
- (A) Increase manufacturing in India.
(B) Promote foreign direct investment in real estate.
(C) Encourage agricultural growth.
(D) Privatize Indian Railways.
64. Which Indian state has the highest Gross State Domestic Product ?
- (A) Maharashtra. (B) Tamil Nadu.
(C) Gujarat. (D) Karnataka.
65. The Mahatma Gandhi National Rural Employment Guarantee Act guarantees employment for how many days in a year ?
- (A) 100 days. (B) 120 days.
(C) 150 days. (D) 180 days.
66. Which of the following is a key feature of the Goods and Services Tax (GST) ?
- (A) It is applicable only to services.
(B) It replaced multiple indirect taxes.
(C) It is a direct tax.
(D) It is collected only by state governments.

67. According to the Tendulkar Committee, poverty in India is measured based on :
- (A) Calorie intake.
 - (B) Per capita income.
 - (C) Employment status.
 - (D) Monthly per capita consumption expenditure.
68. Which of the following is a measure taken by the Indian government to addresses urban housing shortage among the lower- and middle-income group categories ?
- (A) Integrated Rural Development Program.
 - (B) Pradhan Mantri Jan Dhan Yojana.
 - (C) Pradhan Mantri Awas Yojana - Urban.
 - (D) Atal Mission for Rejuvenation and Urban Transformation.
69. Which of the following is a measure of health in human capital formation ?
- (A) Gross Domestic Product.
 - (B) Infant Mortality Rate.
 - (C) Stock Market Index.
 - (D) Foreign Exchange Reserves.
70. Which government program aims to improve skill development among youth in India ?
- (A) Ayushman Bharat.
 - (B) MGNREGA.
 - (C) Pradhan Mantri Awas Yojana.
 - (D) Pradhan Mantri Kaushal Vikas Yojana.
71. Which Indian state does have the highest literacy rate as per recent data ?
- (A) Kerala.
 - (B) Tamil Nadu.
 - (C) Karnataka.
 - (D) West Bengal.
72. The term "disguised unemployment" is mostly associated with which sector in India ?
- (A) Manufacturing.
 - (B) Services.
 - (C) Agriculture.
 - (D) IT sector.

Turn over

73. Which organization in India collects employment-related data ?
- (A) NITI Aayog.
 - (B) Ministry of Education.
 - (C) Ministry of Finance.
 - (D) National Sample Survey Office.
74. The Gig Economy is associated with :
- (A) Permanent government jobs.
 - (B) Temporary and freelance jobs.
 - (C) Agricultural employment.
 - (D) Factory-based employment.
75. The Indian government program that focuses on rural infrastructure development is :
- (A) Make in India.
 - (B) Pradhan Mantri Gram Sadak Yojana.
 - (C) Pradhan Mantri Kaushal Vikas Yojana.
 - (D) Pradhan Mantri Jan Dhan Yojana.
76. Which of the following sectors is included in social infrastructure ?
- (A) Highways.
 - (B) Airports.
 - (C) Education and healthcare.
 - (D) Power plants.
77. The government initiative to improve road connectivity and reduce **logistic cost in India** by developing a network of expressways and highways, is known as :
- (A) Bharatmala Pariyojana.
 - (B) Sagarmala Pariyojana.
 - (C) Atmanirbhar Abhiyan.
 - (D) Pradhan Mantri Gram Sadak Yojana.
78. Which Indian city is known as the most polluted city in the world according to recent reports?
- (A) Mumbai.
 - (B) Delhi.
 - (C) Chennai.
 - (D) Bengaluru.

79. Which of the following is an example of sustainable development ?
- (A) Cutting forests for urban expansion.
 - (B) Using wind and solar energy.
 - (C) Mining coal at a rapid pace.
 - (D) Dumping plastic waste in rivers.
80. What is the main objective of the Swachh Bharat Abhiyan ?
- (A) Increase industrial production.
 - (B) Promote clean energy.
 - (C) Improve sanitation and hygiene.
 - (D) Expand road infrastructure.
81. The Chipko Movement was associated with :
- (A) River cleaning.
 - (B) Forest conservation.
 - (C) Industrial development.
 - (D) Renewable energy.
82. Which institution is responsible for printing currency notes in India ?
- (A) State Bank of India.
 - (B) Reserve Bank of India.
 - (C) Ministry of Finance.
 - (D) NITI Aayog
83. The largest commercial bank in India in terms of assets and customer base is :
- (A) ICICI Bank.
 - (B) HDFC Bank.
 - (C) State Bank of India.
 - (D) Axis Bank.
84. A budget deficit occurs when :
- (A) Revenue is more than expenditure.
 - (B) Expenditure is more than revenue.
 - (C) Revenue and expenditure are equal.
 - (D) There is no borrowing.

Turn over

91. Which institution releases the Consumer Price Index in India ?
- (A) Ministry of Finance. (B) Reserve Bank of India.
(C) National Statistical Office. (D) NITI Aayog.
92. Which of the following is NOT a function of Securities and Exchange Board of India ?
- (A) Regulating the stock market. (B) Controlling inflation.
(C) Protecting investor interests. (D) Regulating mutual funds.
93. Which organization calculates India's GDP ?
- (A) Reserve Bank of India. (B) NITI Aayog.
(C) National Statistical Office. (D) Ministry of Finance.
94. What is India's GDP growth rate forecast for FY 2024-25 as per the Economic Survey ?
- (A) 5.5 % (B) 6.4 %.
(C) 7.2 % (D) 8.0 %.
95. Which sector received the highest allocation in the 2024-25 Union Budget ?
- (A) Agriculture. (B) Infrastructure.
(C) Education. (D) Defence.
96. Which of the following is NOT a direct tax ?
- (A) Property tax. (B) Income tax.
(C) Corporate tax. (D) Customs duty.
97. Which of the following committee did recommend the Goods and Services Tax in India ?
- (A) Kelkar Committee. (B) Rangarajan Committee.
(C) Narasimham Committee. (D) Chelliah Committee.
98. In Economics, which factor typically has the MOST influence on basic consumer demand for a product ?
- (A) The product price. (B) The stock price.
(C) Celebrity endorsements. (D) The appearance of the product.

Turn over

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Turn over

99. If doubling all inputs results in output that is less than doubled, this is called :

- (A) Increasing returns to scale.
- (B) Constant returns to scale.
- (C) Decreasing returns to scale.
- (D) Zero returns to scale.

100. Which policy aims to transform India into a digitally empowered society and knowledge economy ?

- (A) Skill India.
- (B) Start-up India.
- (C) Digital India.
- (D) Smart Cities Mission.

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(Pages : 20)

Name.....

Reg. No.....

P.G. ENTRANCE EXAMINATION, APRIL 2024

ECONOMICS

Time : Two Hours

Maximum : 400 Marks

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

1. Why individuals do not produce all the things they consume ?
 - (A) Consumer choice theory.
 - (B) Comparative advantage.
 - (C) Economic equilibrium.
 - (D) Resource allocation model.
2. What is the primary difference between microeconomics and macroeconomics ?
 - (A) Microeconomics focuses on specific topics within the economy, while macroeconomics looks at the economy as a whole.
 - (B) Microeconomics examines individual decision-making units, while macroeconomics studies the overall performance of the economy.
 - (C) Microeconomics studies the interactions between firms and consumers, while macroeconomics focuses on government policies.
 - (D) Microeconomics deals with short-term economic fluctuations, while macroeconomics focuses on long-term economic growth.
3. What is a key characteristic of market economies ?
 - (A) Centralized decision-making.
 - (B) Government ownership of resources and businesses.
 - (C) Private individuals or groups owning and operating means of production.
 - (D) Direct determination of economic decisions by governments.

Turn over

4. What does a positive slope indicate in the context of economics ?
- (A) A decrease in one variable leads to a decrease in the other.
 - (B) An increase in one variable leads to an increase in the other.
 - (C) There is no relationship between the variables.
 - (D) Both variables remain constant over time.
5. How is consumer surplus measured ?
- (A) By subtracting the amount consumers are willing to pay from the **amount they actually paid**.
 - (B) By adding the amount consumers are willing to pay to the **amount they actually paid**.
 - (C) By subtracting the amount consumers actually paid from the **amount they were willing to pay**.
 - (D) By multiplying the quantity of goods purchased by the **price paid by consumers**.
6. What factors can shift the demand curve for labour ?
- (A) Changes in government policy only.
 - (B) Changes in the production processes only.
 - (C) Changes in workers' education.
 - (D) All of these.
7. A given percentage rise in price (P) will be more than offset by a larger percentage **fall in quantity** so that total revenue ($P \times Q$) falls if demand is _____.
- (A) Elastic.
 - (B) Inelastic.
 - (C) Unitary.
 - (D) None of these.
8. Which of the following best defines explicit costs ?
- (A) Costs that are not easily quantifiable.
 - (B) Costs that are not paid by the business.
 - (C) Costs that are actual payments made by the business.
 - (D) Costs that are incurred as a result of using resources already owned by the business.

9. Why is a perfectly competitive firm known as a price taker ?
- (A) It can set the market price for its product.
 - (B) It can raise its price without losing sales.
 - (C) It must accept the prevailing equilibrium price.
 - (D) It can manipulate market demand.
10. What is a natural monopoly ?
- (A) A monopoly that arises due to government regulations.
 - (B) A monopoly formed by controlling a scarce physical resource.
 - (C) A monopoly resulting from significant economies of scale.
 - (D) A monopoly created by legal barriers to entry.
11. Which of the following scenarios is most likely to lead to an oligopoly ?
- (A) A government grants a patent for a unique invention to one firm.
 - (B) A government grants patents for similar inventions to multiple firms.
 - (C) A market has room for only one firm due to economies of scale.
 - (D) A market has room for multiple firms due to low barriers to entry.
12. What happens in the long run if firms in a monopolistically competitive industry are earning economic profits ?
- (A) The industry attracts entry until profits reach zero.
 - (B) The industry experiences an increase in economic profits.
 - (C) The industry faces government regulation.
 - (D) The industry experiences a decrease in consumer demand.
13. What type of externality is pollution considered ?
- (A) Positive externality.
 - (B) Negative externality.
 - (C) Internal externality.
 - (D) External cost.

Turn over

14. What are the two defining characteristics of a public good ?
- (A) Excludability and rivalry.
 - (B) Excludability and non-rivalry.
 - (C) Non-excludability and rivalry.
 - (D) Non-excludability and non-rivalry.
15. How is a marginal product defined in the context of labour markets ?
- (A) The total output of the firm.
 - (B) The additional output from increasing the workforce by one worker.
 - (C) The output generated by one worker in a day.
 - (D) The average output of all workers in the firm.
16. How is poverty typically measured ?
- (A) By comparing the average income of different groups.
 - (B) By examining the distribution of wealth in society.
 - (C) By determining the share of income received by the top percentile.
 - (D) By identifying the number of people falling below a certain income threshold.
17. What challenges do firms face when trying to raise financial capital in their early stages ?
- (A) Demonstrating profitability to investors.
 - (B) Convincing customers to invest in their products.
 - (C) Meeting regulatory requirements for investment.
 - (D) Establishing a network of financial investors.
18. What does the expected rate of return measure ?
- (A) The total profit generated by an investment.
 - (B) The average return over a period of time.
 - (C) The initial investment amount required.
 - (D) The risk associated with an investment.

19. How does interest rate risk affect investments ?

- (A) It ensures stable returns over time.
- (B) It results in higher-than-expected returns.
- (C) It may cause a decrease in returns if market rates rise suddenly.
- (D) It has no impact on investment returns.

20. What defines an intermediary in financial markets ?

- (A) Someone who directly connects savers and borrowers.
- (B) An institution that operates between two parties, facilitating transactions.
- (C) A mediator who arranges meetings between investors and entrepreneurs.
- (D) An individual who manages investment portfolios for clients.

21. What is a characteristic of a certificate of deposit (CD) ?

- (A) It offers easy access to funds with no penalties for early withdrawal.
- (B) It typically offers a higher interest rate than regular savings accounts.
- (C) It allows unlimited withdrawals without penalties.
- (D) It pays lower interest rates compared to regular savings accounts.

22. What is the face value of a bond ?

- (A) The amount the investor pays to purchase the bond.
- (B) The total value of all future interest payments.
- (C) The amount the borrower agrees to pay the investor at maturity.
- (D) The current market value of the bond.

23. What is one way individual firms raise capital in financial markets ?

- (A) By purchasing mutual funds.
- (B) By issuing long-term loans to other companies.
- (C) By selling shares of stock and issuing bonds.
- (D) By investing in venture capital firms.

Turn over

24. What concept complements absolute advantage and **emphasizes the opportunity cost** of producing goods ?
- (A) Comparative advantage. (B) **Absolute scarcity.**
(C) Opportunity cost. (D) **Trade equilibrium.**
25. Who argued that specialization and free trade benefit all **trading partners, regardless** of relative efficiency ?
- (A) David Ricardo. (B) **Benjamin Franklin.**
(C) Adam Smith. (D) **John Maynard Keynes.**
26. Why is one of the WTO negotiations called the Doha Round ?
- (A) Because it aims to reduce barriers to trade in **Doha, Qatar.**
(B) Because it focuses on agricultural subsidies in **Doha, Qatar.**
(C) Because it was officially launched in Doha, the **capital city of Qatar.**
(D) Because it targets specific industries in Doha, Qatar.
27. What are Tariffs ?
- (A) Subsidies provided to domestic industries.
(B) Taxes imposed on exported goods.
(C) Taxes placed on imported goods.
(D) Trade agreements negotiated by the WTO.
28. What is one reason why individuals benefit from living in **economies with specialization** and trade ?
- (A) It allows them to control all aspects of production.
(B) It enables them to produce goods and services more **efficiently.**
(C) It reduces the need for interpersonal interactions.
(D) It limits their reliance on others for essential needs.

29. What is the primary reason a country can benefit from trade even if it has high levels of productivity in all goods ?
- (A) Absolute advantage. (B) Competitive advantage.
(C) Specialization. (D) Comparative advantage.
30. What were the two organizations created in 1946 alongside the United Nations ?
- (A) World Trade Organization and World Bank.
(B) International Monetary Fund and World Bank.
(C) International Trade Organization and International Monetary Fund.
(D) General Agreement on Tariffs and Trade and International Trade Organization.
31. What major step did the European Union take in the early 2000s regarding currency ?
- (A) Introducing the German mark and the French franc.
(B) Phasing out the euro.
(C) Introducing the euro and phasing out national currencies.
(D) Retaining all former national forms of money.
32. If a nation's GDP decreased from Rs. 500 crores to Rs. 450 crores over a year, what is the growth rate ?
- (A) - 10%. (B) - 12 %.
(C) 10 %. (D) 12 %.
33. Why is studying statistics useful for researchers ?
- (A) It helps to organize data and identify typical patterns.
(B) It makes graphs look more appealing.
(C) It allows researchers to focus only on numerical data.
(D) It helps in collecting qualitative data.

Turn over

34. What type of graph is commonly used to show how a **variable changes overtime** ?
- (A) Bar graph. (B) Pie chart.
(C) Scatter plot. (D) **Time series graph.**
35. What do consumers experience when a price changes ?
- (A) Only the substitution effect.
(B) Only the income effect.
(C) **Both substitution and income effects simultaneously.**
(D) Neither substitution nor income effects.
36. How does the income effect affect buying power ?
- (A) It decreases buying power when the price of a **good falls.**
(B) It increases buying power when the price of a **good rises.**
(C) It increases buying power when the price of a **good falls.**
(D) It decreases buying power when the price of a **good rises.**
37. What happens to the budget constraint when the price of a **good increases** ?
- (A) It shifts to the right. (B) It shifts to the left.
(C) It remains unchanged. (D) It becomes steeper.
38. When a good becomes more expensive, which effect motivates **consumers to seek substitutes** ?
- (A) Income effect. (B) **Substitution effect.**
(C) Utility effect. (D) Demand effect.
39. When sketching diagrams to illustrate substitution and income effects, **what represents the initial level of utility** ?
- (A) Initial budget constraint. (B) New indifference curve.
(C) Initial indifference curve. (D) New budget constraint.

40. What is the equivalent measure of total economic activity ?
- (A) Total population.
 - (B) Total factor services supplied.
 - (C) Total government spending.
 - (D) Total earnings from household services.
41. What is the main concern regarding using nominal GDP as a measure of economic performance ?
- (A) It over estimates the economy's performance.
 - (B) It under estimates the economy's performance.
 - (C) It does not account for inflation.
 - (D) It does not consider physical quantities of output that yield utility or happiness.
42. Why does using GDP avoid the need to argue about depreciation ?
- (A) Because depreciation is not relevant for assessing economic performance.
 - (B) Because depreciation is easy to measure consistently across different countries.
 - (C) Because GDP accounts for depreciation automatically.
 - (D) Because depreciation is rather difficult to measure consistently.
43. What is the primary focus of national income accounts mentioned in the passage ?
- (A) Assessing the economic performance of individual firms.
 - (B) Assessing the economic performance of the overall economy.
 - (C) Calculating corporate profits.
 - (D) Analyzing consumer spending patterns.
44. What does the inflationary gap measure ?
- (A) The shortfall of aggregate demand over output when output is at potential output.
 - (B) The discrepancy between output and potential output.
 - (C) The excess of aggregate demand over output when output is at potential output.
 - (D) The level of potential output.

Turn over

45. What relationship does the multiplier have with the marginal propensity to save (MPS) ?
- (A) The multiplier is equal to the MPS.
 - (B) The multiplier is inversely proportional to the MPS.
 - (C) The multiplier is directly proportional to the MPS.
 - (D) The multiplier is unaffected by the MPS.
46. What happens to planned savings when households wish to consume more at each level of income ?
- (A) Saving rises.
 - (B) Saving falls.
 - (C) Saving remains unchanged.
 - (D) Saving becomes unpredictable.
47. What is the equilibrium income if investment demand is 400 and the consumption function is $C = 0.8Y$?
- (A) 500.
 - (B) 800.
 - (C) 1000.
 - (D) 1200.
48. How is the budget deficit defined ?
- (A) The excess of government spending over government receipts during a particular period.
 - (B) To excess of government receipts over government spending during a particular period.
 - (C) The difference between government spending and investment.
 - (D) The total revenue collected by the government.
49. How does the government typically respond to abnormally high levels of aggregate demand ?
- (A) By reducing taxes or increasing spending.
 - (B) By raising taxes or cutting spending.
 - (C) By decreasing the money supply.
 - (D) By implementing price controls.

50. How do governments utilize discretionary fiscal policies in stabilizing aggregate demand ?
- (A) By relying solely on automatic fiscal stabilizers.
 - (B) By adjusting interest rates.
 - (C) By changing spending levels or tax rates intentionally.
 - (D) By implementing trade policies.
51. Why do policymakers typically avoid targeting zero inflation ?
- (A) Zero inflation leads to a deflationary spiral, causing further contraction in the economy.
 - (B) Zero inflation is unattainable due to the natural fluctuations in the economy.
 - (C) Zero inflation encourages excessive borrowing and spending, leading to economic instability.
 - (D) Zero inflation leads to high real interest rates, stimulating aggregate demand.
52. Which statement accurately describes the role of central banks in monetary policy ?
- (A) Central bank aim to set interest rates to achieve a desired path for nominal money.
 - (B) Central bank aim to set inflation rates to achieve a desired path for nominal money.
 - (C) Central bank focus on regulating fiscal policies to control inflation.
 - (D) Central bank target specific levels of unemployment to stabilize the economy.
53. In the classical model of macroeconomics, what happens when output deviates from full capacity ?
- (A) Output remains unchanged as prices and wages are fixed.
 - (B) Output adjusts instantly to full capacity due to flexible prices and wages.
 - (C) Monetary and fiscal policies have no effect on output.
 - (D) Output decreases due to rigid prices and wages.
54. Which statement accurately describes the Keynesian view of aggregate demand and output ?
- (A) Higher aggregate demand always results in a corresponding increase in output.
 - (B) The economy can indefinitely expand output due to infinite resources.
 - (C) Aggregate demand is irrelevant for determining output in Keynesian models.
 - (D) Aggregate demand interacts with aggregate supply to determine output.

Turn over

55. Which statement regarding fiscal and monetary policy is true ?
- (A) Fiscal and monetary policy affect aggregate demand through the same routes.
 - (B) Fiscal policy affects aggregate demand through the IS schedule, while monetary policy affects it through the LM schedule.
 - (C) Fiscal and monetary policy are interchangeable and have the same implications for the composition of aggregate demand.
 - (D) Fiscal policy is primarily concerned with changes in the money supply, while monetary policy focuses on tax rates and spending levels.
56. What does a change in interest rates typically indicate within a given monetary policy ?
- (A) An adjustment to the money supply.
 - (B) A change in economic circumstances.
 - (C) A switch to a different preferred relationship between interest rates and other economic variables.
 - (D) A change in inflation targeting strategy.
57. Which of the following is NOT a reason why firms hold stocks of goods ?
- (A) Speculation on future price changes.
 - (B) Reducing the need for costly adjustments in output.
 - (C) Accelerating the production process.
 - (D) Generating interest income from surplus stocks.
58. According to the permanent income hypothesis, how does temporary changes in income affect consumption ?
- (A) Temporary increases in income lead to a proportional increase in consumption.
 - (B) Temporary increases in income have no effect on consumption.
 - (C) Temporary increases in income lead to increased savings.
 - (D) Temporary increases in income have a minimal effect on consumption.

59. What is a repo transaction ?
- (A) The sale of an asset with an agreement to repurchase it later.
 - (B) The purchase of an asset with an agreement to resell it later.
 - (C) A short-term loan secured by a long-term asset.
 - (D) A long-term loan secured by a short-term asset.
60. How does uncertainty affect the benefit of holding money for precautionary reasons ?
- (A) It decreases the benefit of holding money.
 - (B) It has no effect on the benefit of holding money.
 - (C) It increases the benefit of holding money.
 - (D) It changes the type of assets used for precautionary savings.
61. What problem does holding money help to solve ?
- (A) Generating additional income through interest-earning assets.
 - (B) Avoiding brokerage and bank charges.
 - (C) Simplifying transactions by reducing time and effort.
 - (D) Maximizing savings through precise timing of asset sales.
62. How does the government finance spending on transfer payments ?
- (A) By borrowing from foreign countries.
 - (B) By printing more money.
 - (C) By taxing those who can afford to pay.
 - (D) By reducing public services.
63. What is the role of greenhouse gases like carbon dioxide and methane ?
- (A) They prevent solar radiation from reaching the Earth.
 - (B) They trap heat underneath, preventing the Earth from freezing.
 - (C) They cool down the Earth's atmosphere.
 - (D) They prevent the escape of heat, causing the Earth to overheat.

Turn over

64. In experimental research, what is the purpose of randomly dividing participants into groups ?
- (A) To ensure that each participant gets equal attention from the researcher.
 - (B) To ensure that the experimental group receives the new medication.
 - (C) To control for potential biases and ensure groups are comparable.
 - (D) To make the study design more complicated.
65. How should the scientific method be understood ?
- (A) As a single, rigid method for conducting research.
 - (B) As a set of research principles and methods guiding investigations.
 - (C) As a historical artifact with no relevance to modern science.
 - (D) As a philosophical concept without practical implications.
66. What is a key feature of all hypotheses ?
- (A) They must be lengthy and complex.
 - (B) They must be based on personal beliefs.
 - (C) They must make a prediction about the phenomenon being studied.
 - (D) They must rely solely on qualitative data.
67. How are hypotheses evaluated in light of gathered data :
- (A) By comparing them to popular opinions.
 - (B) By conducting literature reviews.
 - (C) By determining if they are supported or refuted.
 - (D) By conducting surveys among peers.
68. Which research approach involves statistical analyses to obtain findings ?
- (A) Qualitative research.
 - (B) Experimental research.
 - (C) Observational research.
 - (D) Quantitative research.

69. How is **qualitative research** often utilized in relation to quantitative research ?
- (A) **As a replacement for** quantitative research.
 - (B) **As a source of hypotheses** for later quantitative.
 - (C) **As a standalone** method without connection to quantitative research.
 - (D) **As a method** solely for collecting numerical data.
70. **Why do researchers** typically study a sample instead of the entire population ?
- (A) To save time and resources.
 - (B) To exclude certain groups from the study.
 - (C) To ensure biased results.
 - (D) To **guarantee representativeness** of the data.
71. **Why is studying a representative sample** important in research ?
- (A) It **guarantees** biased results.
 - (B) It ensures that the sample is smaller than the population.
 - (C) It allows researchers to draw valid conclusions about the population.
 - (D) It makes the research process more difficult.
72. What is the first step in designing any research study ?
- (A) Collecting data.
 - (B) Analyzing data.
 - (C) Deciding what to study.
 - (D) Writing research reports.
73. How do researchers often use previous research in their own studies ?
- (A) By disregarding it completely.
 - (B) By attempting to replicate the results.
 - (C) By never referring to it in their own work.
 - (D) By keeping it as a secret source of inspiration.

Turn over

74. What does the null hypothesis predict in a research study involving two groups of participants ?
- (A) There will be no differences between the groups being studied.
 - (B) There will be significant differences between the groups being studied.
 - (C) There will be a relationship between the variables being studied.
 - (D) There will be no relationship between the variables being studied.
75. Which of the following defines a variable ?
- (A) Something that cannot vary.
 - (B) Something that can take on different values.
 - (C) Something that remains unchanged.
 - (D) Something that is consistently measured.
76. Which of the following is an example of a constant ?
- (A) Gender.
 - (B) Temperature.
 - (C) Educational level.
 - (D) Saving.
77. Why is the independent variable called "independent" ?
- (A) Because it is unrelated to the study.
 - (B) Because it causes or influences the outcome being measured.
 - (C) Because it is dependent on the dependent variable.
 - (D) Because it is controlled by external factors.
78. What is the more specific definition of research ?
- (A) An examination of the relationship between one or more variables.
 - (B) An examination of the relationship between independent and dependent variables.
 - (C) An examination of the relationship between dependent variables.
 - (D) An examination of the relationship between qualitative and quantitative variables.

79. How does the choice between categorical and continuous variables affect the statistical analysis ?
- (A) It has no impact on the choice of statistical tests.
 - (B) It determines which statistical tests are appropriate for analysis.
 - (C) It increases the complexity of statistical analysis.
 - (D) It reduces the need for statistical analysis.
80. What effect does strong domestic demand amidst high commodity prices have on India's current account balance ?
- (A) It has no impact on the current account balance.
 - (B) It decreases the current account deficit.
 - (C) It increases the current account deficit.
 - (D) It leads to a surplus in the current account balance.
81. According to IMF's World Economic Outlook, what is the forecasted global growth rate for 2023 ?
- (A) 3.2 per cent.
 - (B) 2.7 per cent.
 - (C) 4.0 per cent.
 - (D) 1.5 per cent.
82. What is the primary reason for the slowdown in global economic growth during 2021-22.
- (A) Decreased uncertainty due to geopolitical conflicts.
 - (B) Low inflation rates worldwide.
 - (C) Monetary tightening by central banks.
 - (D) Increased global trade growth.
83. What has supported the rebound in consumption ?
- (A) A decrease in disposable income.
 - (B) A rise in the share of consumption in disposable income.
 - (C) A decrease in the availability of goods and services.
 - (D) A decrease in consumer confidence.

Turn over

84. How did the Indian economy perform in FY22 despite the Omicron wave ?
- (A) It contracted significantly.
 - (B) It stagnated without any growth.
 - (C) It started to recover.
 - (D) It experienced a sharp decline.
85. How is the prosperity of millions of Indian farmers linked to the growth of the food industry ?
- (A) Through increased demand for agricultural products.
 - (B) Through decreased reliance on agriculture for income.
 - (C) Through technological advancements in farming.
 - (D) Through government subsidies for farmers.
86. What trend is observed in the contribution of agriculture to the total GDP from 1990-91 to 2006-07 in India ?
- (A) It remained relatively stable.
 - (B) It increased significantly.
 - (C) It decreased significantly.
 - (D) It fluctuated unpredictably.
87. What term is used to describe the historical economic growth rate of India before its transformation ?
- (A) The Indian Miracle.
 - (B) The Hindu Growth Rate.
 - (C) The Economic Renaissance.
 - (D) It fluctuated unpredictably.
88. What is emphasized as a crucial aspect alongside celebrating India's economic growth ?
- (A) Environmental preservation.
 - (B) Addressing social challenges.
 - (C) Expanding military capabilities.
 - (D) Promoting international trade.

89. In which year Sustainable Development Goals introduced :
- (A) 2000. (B) 2005.
(C) 2010. (D) 2015.
90. Which of the following is NOT a renewable resource ?
- (A) Air. (B) Soil.
(C) Water. (D) Copper ore.
91. Common property often results in :
- (A) A negative externality. (B) A social benefit.
(C) A private cost. (D) Exclusive rights of ownership.
92. The rate at which wage and price inflation are either stable or at acceptable levels is :
- (A) Seasonal Unemployment. (B) Natural rate of unemployment.
(C) Full employment. (D) Cyclical unemployment.
93. National Urban Health Mission was launched in the year :
- (A) 2003. (B) 2005.
(C) 2018. (D) 2013.
94. Major characteristics of a sound capital market are :
- (A) Macroeconomic stability. (B) Solid institutional framework.
(C) Only (A) is correct (D) Both (A) and (B) are correct.
95. Golden revolution is related to :
- (A) Promotion of aquaculture.
(B) Promotion of production of oil seeds.
(C) Promotion of horticulture.
(D) Promotion of silviculture.

Turn over

96. Determinant of a Null Matrix is :
- (A) + Ve. (B) - Ve.
(C) 0. (D) All the above.
97. Economic development is :
- (A) Continuous process. (B) Static.
(C) Short run process. (D) Flexible.
98. Which of the following best explains Rodan's Theory of Balanced Growth ?
- (A) It emphasizes the need for continuous technological advancements to achieve economic stability.
(B) It suggests that economic development can only be achieved through the growth of heavy industries.
(C) It highlights the importance of simultaneously developing both supply and demand factors in an economy to avoid market inefficiencies.
(D) It argues that economic growth should primarily focus on increasing agricultural productivity for sustained development.
99. Which of the following steps is NOT a part of the strategy for exploring data on a single quantitative variable ?
- (A) Plot your data using a histogram or stem plot.
(B) Look for the overall pattern including shape, center, and spread.
(C) Calculate a numerical summary to describe center and spread.
(D) Ignore outliers and focus solely on the central tendency.
100. Which of the following statements about scatterplots is incorrect ?
- (A) Scatterplots display the relationship between two quantitative variables measured on the same individuals.
(B) The explanatory variable is always plotted on the y-axis of a scatterplot.
(C) The form of a relationship in a scatterplot can be linear, curved, or clustered.
(D) The strength of a relationship in a scatterplot is determined by how close the points lie to a simple form such as a line.