ENTRANCE EXAMINATION-2016

M.A (ECONOMICS)

SET A

ROLL NO.

SSF JAMIA MILLIA ISLAMIA
New Delhi

Signature of Invigilator

Time: 1 HOURS 45 MINUTES

Total Marks: 100

Instructions to Candidates

1. Do not write your name or put any other mark of identification anywhere in the OMR Answer Sheet. IF ANY MARK OF IDENTIFICATIONS IS DISCOVERED ANYWHERE IN OMR ANSWER SHEET, the OMR sheet will be cancelled, and will not be evaluated.

2. This Question Booklet contains this cover page and a total of <u>100 Multiple Choice Questions of 1mark.</u> Space for rough work has been provided at the beginning and end. Available space on each page may also be used for rough work.

3. Each correct answer carries one mark.

4. There is negative marking for Multiple Choice Questions. For each wrong answer, 0.25 marks will be deducted.

5. USE OF CALCULATOR IS PERMITTED.

6. USE/POSSESSION OF ELECTRONIC GADGETS LIKE MOBILE PHONE, iPhone, iPad, pager ETC. is not permitted.

7. Candidate should check the serial order of questions at the beginning of the test. If any question is found missing in the serial order, it should be immediately brought to the notice of the Invigilator. No pages should be torn out from this question booklet.

8. Answers must be marked in the OMR answer sheet which is provided separately. OMR answer sheet must be handed over to the invigilator before you leave the seat.

9. The OMR answer sheet should not be folded or wrinkled. The folded or wrinkled OMR/Answer Sheet will not be evaluated.

10. Write your Roll Number in the appropriate space (above) and on the OMR Answer Sheet. Any other details, if asked for, should be written only in the space provided.

11. There are four alternative answers to each question marked A, B, C and D. Select one of the answers you consider most appropriate and fill up the corresponding oval/circle in the OMR Answer Sheet provided to you. The correct procedure for filling up the OMR Answer Sheet is mentioned below.

12. Use Black or Blue Ball Pen only for filling the ovals/circles in OMR Answer Sheet while answering the Questions. For your Choice of answers darken the correct oval/circle completely. If the correct answer is 'B', the corresponding oval/circle should be completely filled and darkened as shown below.

CORRECT METHOD

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WRONG METHOD
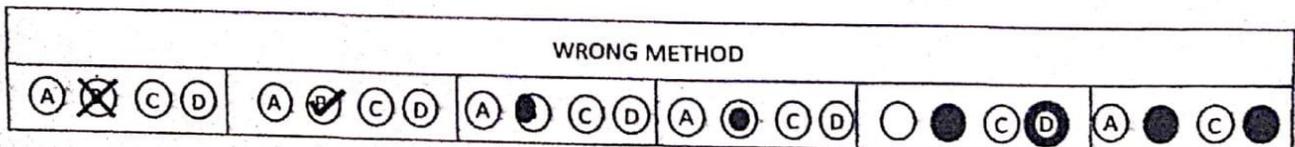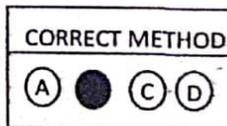
1. Theory of Mercantilism propagates
     A. Encourage exports and imports
     B. Encourage exports and discourage imports
     C. Discourage exports and imports
     D. Discourage exports and encourage imports

2. Under which curve the total area at different points will be the same?
     A. Rectangular Hyperbola
     B. Linear
     C. Ellipse
     D. All of the above

3. When a producer charges a lower price in the world market then in the home market, he is said to be _____ in the world market.
     A. Cheap marketing
     B. Dumping
     C. Price-discriminating
     D. Black marketing

4. As per latest economic survey, budget estimates of fiscal deficit for 2016-17 is _____ Per Cent of GDP
     A. 3.5
     B. 3.9
     C. 6.8
     D. None of the above

5. If a distribution is skewed to the left, then it is _____.
     A. Negatively skewed
     B. Positively skewed
     C. Symmetrically skewed
     D. Symmetrical

6. The range of correlation coefficient lies between:
     A. 0 to +1
     B. -1 to 0
     C. -1 to +1
     D. -2 to +2

7. Matrix A is said to be idempotent if
     A. $A^2 = I$
     B. $A = A^2$
     C. $A^2 = 0$
     D. $A = I$

8. A square matrix $A = (a_{ij})$ is said to be Skew- symmetric matrix if
     A. $a_{ij} = -a_{ji}$
     B. Its diagonal elements equal to unity
     C. Both (a) and (b)
     D. None of the above

9. Given the sequence $a_n = \left\{ 1 + \dfrac{(-1)^{n-1}}{n} \right\}$. As n tends to infinity, the sequence will

    A. Converge
    B. Diverge
    C. Oscillate
    D. Both (b) and (c)

10. Marginal utility is equal to average utility at the time when average utility is—
    A. Increasing
    B. Maximum
    C. Falling
    D. Minimum

11. Interaction between the Multiplier Analysis and the principle of Acceleration was formulated by
    A. Arrow
    B. Hicks
    C. Keynes
    D. Paul Samuelson

12. A direct increase in initial employment leads to a multiple increase in total employment. This relationship was propounded by
    A. J. M. Keynes
    B. R. F. Kahn
    C. A. C. Pigou
    D. J. Robertson

13. A consumer's demand curve can be obtained from
    A. ICC
    B. PCC
    C. Lorenz curve
    D. Angel Curve

14. The overshooting model or the exchange rate overshooting hypothesis was first developed by economist
    A. Rudi Dornbusch
    B. Mundell Fleming
    C. Salter-Swan
    D. Keynes

15. According to Arthur Lewis, supply of labour in less developed countries is
    A. Limited
    B. Flexible
    C. Rigid
    D. Unlimited

16. If a country has a linear (downward sloping) production possibilities frontier, then production is said to be subject to:
    A. Constant opportunity costs.
    B. Decreasing opportunity costs.
    C. First increasing and then decreasing opportunity costs.
    D. Increasing opportunity costs.

17. John Stuart Mill was the founder of the
    A. Theory of reciprocal demand
    B. Theory of absolute advantage
    C. Theory of comparative advantage
    D. Theory of mercantilism

18. *Intra-industry trade* refers to
    A. the exchange of similar products belonging to the same industry
    B. Import of intermediate goods
    C. Import of Industrial goods
    D. Imports of raw material and export of finish goods

19. The tariff which maximises a country's economic welfare is called
    A. Protective tariff
    B. Discriminatory tariff
    C. Non-discriminatory
    D. Optimum tariff

20. 'Backwash Effect' was firstly introduced by-
    A. Gunnar Myrdal
    B. Arthur Dunkel
    C. Peter Suderland
    D. Kindelberger

21. Which sector constitutes the maximum share in national income of India?
    A. Primary
    B. Secondary
    C. Tertiary
    D. All the above have equal share

22. The revealed preference theory assumes
    A. Strong ordering
    B. Weak ordering
    C. Introspection
    D. None of these

23. For economic development, Schumpeter gives importance to
    A. Creditors
    B. Entrepreneurs
    C. Innovation
    D. None of the above

24. Okun's law postulates a
    A. Positive relationship between unemployment and real GDP
    B. Negative relationship between unemployment and real GDP
    C. Positive relationship between Money Supply and Price
    D. Negative relationship between Money Supply and rate of interest

25. A natural monopoly is a market situation in which
    A. all firms sell natural resources
    B. a single firm supplies natural resources to an entire industry
    C. a single firm can supply the market output more efficiently than many firms
    D. none of the above

26. An improvement in production technology will:
    A. tend to increase equilibrium price
    B. shift the supply curve to the left
    C. shift the supply curve to the right
    D. shift the demand curve to the left

27. When is an isoquant L – shaped?
    A. When the two factors are complementary
    B. When the two factors are perfect substitutes
    C. When the two factors are used in fixed proportions
    D. When the two factors are imperfect substitutes

28. Cournot model assumes which of the following?
    1. There are two firms operating in the market.
    2. The firms face a kinked demand curve.
    3. Each firm acts on the assumption that their competitors will not react to her decision to change output.
Select the correct answer by using the code given below
    A. 1 and 2
    B. 2 and 3
    C. 1 and 3
    D. 1, 2 and 3

29. The Sweezy model of oligopoly assumes that price elasticity of demand
    A. is higher for a price increase than for a price decrease
    B. is lower for a price increase than for a price decrease
    C. cannot change for a price increase or price decrease
    D. cannot change for a price decrease

30. The inconsistency of which one of the following criteria is labelled as Scitovsky Paradox?
    A. Little Criterion
    B. Pareto Criterion
    C. Bergson Criterion
    D. Kaldor Hicks Criterion

31. Rank of null matrix is :
    A. Infinity
    B. 0
    C. 1
    D. Not defined

32. If eigenvalue of matrix A is λ, then eigenvalue of A^2 is :
    A. 1
    B. $1/\lambda$
    C. $\lambda/2$
    D. λ^2

33. In the permanent income hypothesis of consumption, components 'of which one pair has a proportional relationship?
    A. Permanent income and transitory income
    B. Permanent income and transitory consumption
    C. Permanent income and permanent consumption
    D. Transitory income and transitory consumption

34. What is the empirically fitted relationship between the rate of change of money wages and rate of unemployment, known as?
    A. Baumal's Hypothesis
    B. Keynesian Model
    C. Friedman's Model
    D. Phillip's Curve

35. Which one of the following is not the Canon of taxation as stated by Adam Smith?
    A. Canon of equality
    B. Canon of convenience
    C. Canon of certainty
    D. Canon of productivity

36. For inferior commodities, income effect is—
    A. Zero
    B. Negative
    C. Infinite
    D. Positive

37. For a Poison's distribution with $n = 400$, $p = 0.03$, the mean is
    A. 20
    B. 40
    C. 12
    D. 10

38. _____ results if you fail to reject the null hypothesis when the null hypothesis is actually false.
    A. Type I error
    B. Type II error
    C. Type III error
    D. Type IV error

39. When total utility becomes maximum, then marginal utility will be—
    A. Minimum
    B. Average
    C. Zero
    D. Negative

40. At point of satiety, marginal utility is—
    A. Maximum
    B. Negative
    C. Positive
    D. Zero

41. Which of the following is the second law of Gossen?
    A. Law of equi-marginal utility
    B. Law of equi-product
    C. Theory of indifference cur
    D. Law of diminishing marginal utility

42. According to the monetarists, in the long-run, the Phillips Curve is:
    A. Vertical
    B. downward-sloping
    C. horizontal
    D. upward-sloping

43. The highest proportion of area under HYV seeds to the total area that crops is under
    A. Rice
    B. Wheat
    C. Maize
    D. Bajra

44. If the actual unemployment rate is below the natural rate of unemployment, it would be expected that:
    A. the rate of inflation would increase
    B. the Phillips curve would shift to the left
    C. wages would fall
    D. the natural rate of unemployment would fall

45. If individuals forecast future prices by examining the rates of inflation of the present and recent past, they are using:
    A. adaptive expectations
    B. inflationary expectations
    C. rational expectations
    D. structural expectations

46. A type of unemployment in which workers are in-between jobs or are searching for new and better jobs is called _____ unemployment:
    A. Frictional
    B. Cyclical
    C. Structural
    D. turnover

47. When there are vacancies in the job-market, but also high levels of unemployment, then we could say that this unemployment is?
    A. Cyclical
    B. Regional
    C. Seasonal
    D. structural

48. Autarky means that
    A. a country's consumption possibilities are the same as its production possibilities
    B. equilibrium has been reached with the maximum gains from specialization and trade
    C. equilibrium has been reached with the maximum amount of international trade
    D. the nation has such a high standard of living that there are technically no poor people

49. Which of the following countries is not one of the "ASIAN TIGERS"
    A. Hong-Kong
    B. South Korea
    C. China
    D. Singapore

50. Mutually beneficial trade cannot occur
    A. when each country has its own comparative advantage
    B. if one country has absolute advantages in the production of every good
    C. when the opportunity costs of producing each good are equal for both trading partners
    D. if total world production equals total world consumption

51. A nation's consumption possibilities frontier is
    A. always the same as its production possibilities frontier
    B. never the same as its production possibilities frontier
    C. the same as its production possibilities frontier only if there is advantageous trade
    D. the same as its production possibilities frontier only if there is no international trade

52. Trade Related Investment Measures (TRIMS) doesn't apply for
    A. Measures that affect trade in goods.
    B. Measures that lead to restrictions in quantities.
    C. Discouraging measures that limit a company's imports.
    D. Discouraging measures that limit a company's exports.

53. With international trade
    A. producer surplus increases in both the exporting and importing countries
    B. consumer surplus increases in exporting countries and decreases in importing countries
    C. consumer surplus increases in the importing countries and producer surplus increases in the exporting countries
    D. consumer surplus and producer surplus equate in both exporting and importing country

54. Intra-industry trade is more likely to occur between
    A. rich and poor countries
    B. countries with high and similar income levels
    C. developing countries
    D. developed and developing countries

55. Rent seeking involves
    A. influencing public policy to redistribute income in one's favor
    B. reducing costs and increase profit through greater efficiency
    C. raising price and increase profit by restricting output
    D. increasing market demand through advertising

56. Trade restrictions in the real world
    A. are extremely rare, due to the economic benefits of specialization and trade
    B. hurt domestic producers and benefit foreign consumers
    C. hurt domestic producers and benefit domestic consumers
    D. hurt domestic consumers and benefit domestic producers

57. The primary difference between an import tariff and an import quota is that
    A. tariffs cause prices to rise, but quotas do not
    B. quotas cause prices to rise, but tariffs do not
    C. tariff revenues go to government, but quotas benefit those with the right to sell foreign goods domestically
    D. quotas restrict imports more than tariffs

58. Which of the following is not an effect of a specific import tariff
    A. the domestic price is higher after the tariff is imposed
    B. there is no net welfare loss to society as a whole
    C. government collects revenue from the tariff
    D. the country's imports of the product decline

59. Random sampling error
    A. Is the difference between a survey that includes only those who responded and a survey that also includes those who failed to respond?
    B. Does not occur in nonprobability samples.
    C. Results from the nature of a study's design and the inappropriate or random administration of the sampling process.
    D. Is a function of sample size?

60. A researcher divides the population of product users into three groups based on degree of use. If the researcher then draws a random sample from each user group independently, she has created a _____ sample.
    A. random
    B. stratified
    C. judgment
    D. group data

61. The formula $Z = (X - \mu)/\sigma$ where μ is the hypothesized or expected value of the mean, is
    A. The formula for a confidence interval.
    B. The way of making a linear transformation of any normal variable into a standard normal variable.
    C. The formula for calculating the standard error of the mean.
    D. The computation for estimating the value of the central limit theorem.

62. Regarding the difference between two groups when comparing proportions, _____ is the appropriate criterion for selecting either a t-test or a Z-test.
    A. Value of the population standard deviation
    B. Degrees of freedom
    C. The coefficient of determination
    D. Sample size

63. Adding additional independent variables in a regression equation will
    A. Increase the value of the coefficient of multiple determinations.
    B. Improve the predictive power of the equation.
    C. Reduce the predictive power of the equation.
    D. Additional independent variables may not be added to a regression equation.

64. This is the difference between a sample statistic and the corresponding population parameter.
    A. Standard error
    B. Sampling error
    C. Difference error
    D. None of the above

65. The sampling technique which divides the population into sub-populations which are expected to be similar among them is:
    A. Stratified sampling
    B. Simple random sampling
    C. Cluster sampling
    D. None of the above

66. If the F-test in a multiple regression equations returns a probability of 0.22, it means that:
    A. None of the coefficient is significantly different from 0
    B. All of the coefficients are significantly different from 0
    C. At least one coefficient is significantly different from 0
    D. None of the above

67. What does the partial correlation coefficient measure?
    A. The correlation between two variables after controlling for the effects of one or more additional variables
    B. The correlation among three variables
    C. The percentage of correlation between two variables which depends upon a third variable
    D. None of the above

68. Most of the "disguised unemployed" persons in India are found in
    A. Agriculture
    B. Industry
    C. Trade
    D. Transports

69. Equilibrium of an economy need not be at full employment level who said this?
    A. Adam Smith
    B. Ricardo
    C. Karl Marx
    D. Keynes

70. Laissez faire policy is advocated by
    A. Adam Smith
    B. Samuelson
    C. Hicks
    D. Keynes

71. The growth rate of real GDP equals
    A. [(employment in the current year - employment in previous year)/employment in previous year] × 100.
    B. [(real GDP in current year - real GDP in previous year) ÷ real GDP in previous year] × 100.
    C. [(real GDP in previous year - real GDP in current year) ÷ real GDP in previous year] × 100.
    D. [(real GDP in current year - real GDP in previous year) ÷ real GDP in current year] × 100.

72. Assume the population growth rate is 2 percent and the real GDP growth rate is 6 percent. The change in standard of living, as measured by the growth rate in real GDP per person, is
    A. 7 percent.
    B. 2.5 percent.
    C. 4 percent.
    D. 3 percent

73. Hirschman regards development as a chain of disequilibria, that must
   A. Eliminate the disequilibria in a competitive economy
   B. Keep alive the disequilibria in a competitive economy
   C. Ultimately reach at equilibrium in a competitive economy
   D. None of the above

74. When interest rate increases, people would like to hold less of idle balances, which causes a
   a) Positive slope in the LM curve
   b) Negative slope in the LM curve
   c) Positive slope in the IS curve
   d) Negative slope in the IS curve

75. 'Economic Drain' theory was popularised by
   A. Dadabhai Naoroji
   B. Vera Anstey
   C. Jawaharlal Nehru
   D. Mahatma Gandhi

76. Labour productivity is defined as
   A. Total real GDP.
   B. Real GDP per person.
   C. Total output multiplied by total hours of labor.
   D. Real GDP per hour of labor.

77. Which of the following is not a necessary precondition for economic growth?
   A. economic freedom
   B. democracy
   C. property rights
   D. free markets

78. What percent of 36 is 27?
   A. 36%
   B. 50%
   C. 66¾%
   D. 75%

79. What is maximising the level of satisfaction with the given level of inputs and technology, called
   A. Technical efficiency
   B. Allocative efficiency
   C. Economics of scale
   D. X-efficiency

80. The rank of matrix A is
$$A = \begin{bmatrix} 1 & 2 & 3 \\ 2 & 4 & 6 \end{bmatrix}$$
   A. 1
   B. 2
   C. 0
   D. Not Defined

81. In the case inferior goods
  A. substitution effect is negative but income effect is positive
  B. substitution effect is positive but income effect is negative
  C. both income and substitution effect is negative
  D. Income effect is positive and substitution effect is constant

82. Economists associated with development of indifference curve analysis are
  A. J.R Hicks and R.G.D Allen
  B. J.R Hickes and Robbins
  C. J.R Hicks and Walras
  D. R.G.D Allen and Robbins

83. The concept of Quasi- Rent means
  A. the wages to the worker
  B. the rent share by landlord and workers
  C. the interest paid to a petty shop-keeper
  D. The return to a factor of production which is fixed in supply in the short run period only

84. The value of marginal revenue at unit elasticity is
  A. Maximum
  B. One
  C. Zero
  D. Infinite

85. When income raises the impact on the liquidity preference curve is that
  A. it shifts to the left
  B. it does not shift at all
  C. its shift to the right
  D. there is a change in its slope

86. IS-LM curve is represented in the x- axis by
  A. Interest rate
  B. Consumption
  C. Income
  D. Investment

87. India achieved full convertibility on current account on
  A. 1985
  B. 1989
  C. 1992
  D. 1994

88. Who wrote the book "poverty and famine"
  A. A.K. Sen
  B. J.R. Hicks
  C. Adam smith
  D. Arundhati rai

89. The concept of "golden age" as used by J. Robinson meant
  A. Use of gold standard
  B. Dualistic economies
  C. Smooth and steady growth of economy with full employment level
  D. Dual impact of investment

90. For a given data mode =5, median=15 and mean=20 it means that sample is
    A. skewed to the right
    B. skewed to the left
    C. symmetric
    D. neither symmetric nor skewed

91. Geometric mean of two regression coefficient is
    A. mean
    B. dispersion
    C. variation
    D. correlation

92. A tax is said to be regressive when its burden falls
    A. more heavily on the poor than on the rich
    B. less heavily on the poor then on the rich
    C. equally on the poor as on the rich
    D. none of the above

93. Which of the following is NOT a monetary measure for correction of balance of payment disequilibrium
    A. monetary expansion/contraction
    B. exchange control
    C. foreign loans
    D. devaluation

94. In international trade perfect equality of prices can hardly be achieved because of
    A. the existence of transport cost
    B. the absence of free trade
    C. the absence of perfect competition
    D. all of the above

95. According to one of the assumptions in Heckscher-Ohlin theory of international trade, both the product and factor markets in both the countries are characterised by
    A. perfect competition
    B. monopoly
    C. oligopoly
    D. monopolistic competition

96. Currency held by public + net demand deposit of banks + other deposits of RBI, is equals to
    A. M_1
    B. M_2
    C. M_3
    D. M_4

97. The law of _____ says, "Cheap money drives out dear money".
    A. Say
    B. Gresham
    C. J.S. Mill
    D. Keynes

98. A positive integer is divisible by 9 if and only if the sum of the digits in its decimal representation is divisible by

    A. 3
    B. 81
    C. 9
    D. 5

99. The phrase 'Demonstration Effects' was coined by
    A. J.K. Galbraith
    B. J. M. Keynes
    C. James Dussenberry
    D. John Robinson

100. The modern theory of rent is given by
    A. J.M. Keynes
    B. D.H. Robertson
    C. Alfred Marshall
    D. Joan Robinson