ENTRANCE EXAM PDF
OF

MASTER OF
ARTS
(M.A - ECONOMICS)

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YEAR: 2022

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1. Which organisation in India has been given the responsibility to monitor the progress of Sustainable development goals?

    A. Reserve Bank of India
    B. Central Statistical Office
    C. NITI Aayog
    D. National Sample Survey office

2. For Cobb-Douglas production function given as $Y_i = \beta_1 X_{2i}^{\beta_2} X_{3i}^{\beta_3} e^{u_i}$, where Y=output, X2 = labour input and X3 = capital input; the test for constant returns to scale hypothesis is stated as,

    A. $H_0 : \beta_1 + \beta_2 + \beta_3 = 1$
    B. $H_0 : \beta_2 + \beta_3 = 1$
    C. $H_0 : \beta_1 + \beta_2 + \beta_3 = 0$
    D. $H_0 : \beta_1 = \beta_2 = \beta_3 = 1$

3. Suppose that a budget equation is given by $p_1 x_1 + p_2 x_2 = m$. The government decides to impose a lump-sum tax of u, a quantity tax on good 1 of t, and a quantity subsidy on good 2 of s. What is the formula for the new budget line?
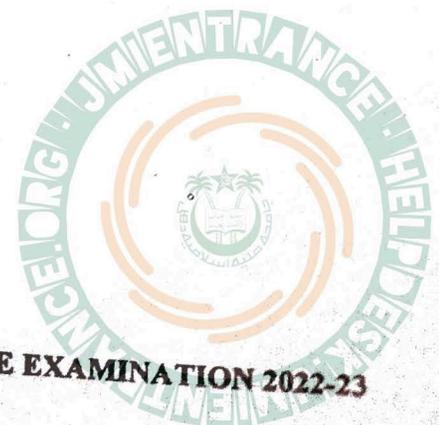
    A. $(p_1 + t)x_1 + (p_2 + 2)x_2 = m - u$
    B. $(p_1 + t)x_1 + (p_2 + s)x_2 = m - u$
    C. $(p_1 + t)x_1 + (p_2 - s)x_2 = m - u$
    D. None of the above

4. The difference between M3 and M1 is of,

    A. time deposits
    B. saving deposits
    C. demand deposits
    D. post office saving deposits

5. The target inflation rate in the monetary policy by R.B.I. is based on,

    A. Consumer Price Index
    B. Whole Price Index

C. Fisher's Ideal Index

D. G.D.P. Deflator

6. A risk-averse individual is offered a choice between a gamble that pays \$1000 with a probability of 25% and \$100 with a probability of 75%, or a payment of \$325. Which would he choose?

A. \$550

B. \$325

C. \$375

D. \$1000

7. Find $\partial y / \partial x_1$ and $\partial y / \partial x_2$ for the following function,

$y = 2x_1^3 - 11x_1^2 x_2 + 3x_2^3$.

A. $\partial y / \partial x_1 = 6x_1^2 - 22x_1 x_2$; $\partial y / \partial x_2 = -11x_1^2 + 6x_2$

B. $\partial y / \partial x_1 = 6x_1^2 - 24x_1 x_2$; $\partial y / \partial x_2 = -11x_1^2 + 3x_2$

C. $\partial y / \partial x_1 = 6x_1^t - 11x_1 x_2$; $\partial y / \partial x_2 = -11x_1^2 + 6x_2$

D. $\partial y / \partial x_1 = 6x_1^2 - 33x_1 x_2$; $\partial y / \partial x_2 = -11x_1^2 + 6x_2$

8. The fundamental cause for the collapse of the Bretton Woods System was,

A. The liquidity problem

B. The adjustment problem

C. The confidence problem

D. All of the above

9. Suppose that the demand curve is vertical while the supply curve slopes upward. If a tax is imposed in this market who ends up paying it?

A. The producer

B. The consumer.

C. Both the producer and the consumer

D. None of the above

10. Market failure can occur when:

A. monopoly power exists in the market

B. markets are missing

C. moral hazard and adverse selection exist

D. all of the above

11. In the short-run, which of the following always gets smaller as output increases?

A. Average fixed cost

B. Average variable cost
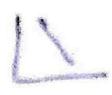
C. Short-run average cost

D. Short-run marginal cost

12. A monopolist is operating at an output level where elasticity of demand = 3. The government imposes a quantity tax of $6 per unit of output. If the demand curve facing the monopolist is linear, how much does the price rise?

   A. $6
   B. $1.5
   C. $4.5
   D. $3

13. When a country has a comparative advantage in the production of a good, it means that the country:

   A. can produce the good in fewer man hours than other countries
   B. has the lower opportunity cost in the production of the good than other countries
   C. can produce a better quality good than other countries
   D. uses better technology to produce the good than other countries

14. For coefficient of determination r^2 for a regression model,

   A. $-1 \le r^2 \le 1$
   B. $0 \le r^2 \le 1$
   C. $r^2 \ge 1$
   D. $r^2 = 0$

15. Opportunity cost version of comparative cost advantage doctrine was introduced by

   A. J.M. Keynes
   B. Kindleberger
   C. Haberler
   D. Karl Marx

16. Each day Rahul, who is in third grade, eats lunch at school. He likes only Twinkies (t) and soda (s), and these provide him a utility of
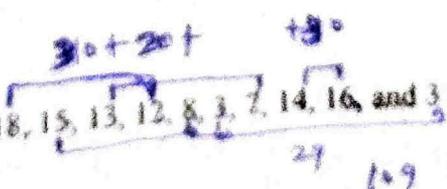
$$utility = U(t,s) = \sqrt{ts}.$$

If Twinkies cost Rs 2 each and soda costs Rs 5 per cup, how much Twinkies and soda should Rahul have by spending Rs 20 his mother gives him in order to maximize his utility?
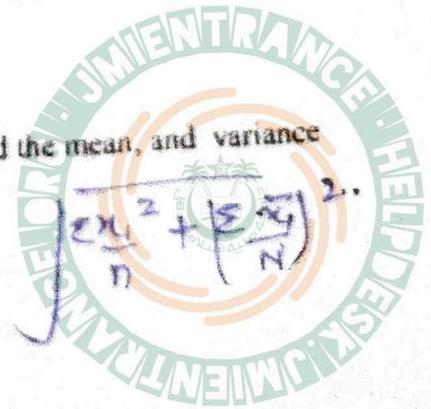
   A. $t = 2, s = 5$
   B. $t = 3, s = 2$
   C. $t = 5, s = 2$
   D. $t = 5, s = 5$

17. On ten days, a bank had 18, 15, 13, 12, 8, 3, 7, 14, 16, and 3 bad checks. Find the mean, and variance of the number of bad checks.

   A. Mean = 10.9, variance = 28.54

B. Mean = 10.9, variance = 26.54
C. Mean = 10.9, variance = 24.54
D. Mean = 10.9, variance = 29.54

18. Human Development Index (HDI) is constructed with reference to,

A. Life expectancy at birth, real GDP per capita, combined gross enrolment ratio, total fertility rate
B. Life expectancy at birth, real GDP per capita, combined gross enrolment ratio, adult literacy rate
C. Life expectancy, GDP per capita, infant mortality rate, literacy rate
D. GDP per capita, infant mortality rate, literacy rate

19. The α in a confidence interval given by $\Pr(\hat{\beta_2} - \delta \leq \beta_2 \leq \hat{\beta_2} - \delta) = 1 - \alpha$ should be,

A. < 0

B. > 0

C. < 1

D. > 0 and < 1

20. In how many different ways can six tosses of a coin yield two heads and four tails?

A. 14
B. 15
C. 16
D. 13

21. Let the national income model be:

$$Y = C + I_0 + G$$
$$C = a - b(Y - T_0) \qquad (a > 0, \ 0 < b > 1)$$
$$G = gY \qquad\qquad (0 < g > 1)$$

What is the economics meaning of the parameter g?

A. Total government expenditure
B. Proportion of national income spent as government expenditure
C. Proportion of budget spent as planned expenditure
D. none of the above

22. Find the second and third derivatives of the function, $\dfrac{3x}{1-x}$; $\quad (x \neq 1)$

A. $9(1-x)^{-3}$; $\qquad 27(1-x)^{-4}$

B. $6(1-x)^{-3}$; $\qquad 12(1-x)^{-4}$

C. $6(1-x)^{-3}$; $\qquad 18(1-x)^{-4}$

D. $6(1-x)^2$ $24(1-x)^4$

23. The name of Francois Quesnay is associated with

A. Capital accumulation and system of natural liberty
B. The Gospel of Wealth
C. Tableau Economique and ideas of the physiocrats
D. Tableau Economique and ideas of building a wealthy and powerful state

24. Given $Q = 100 - 2P + 0.02Y$, where Q is quantity demanded, P is price, and Y is income, and given $P = 20$ and $Y = 5000$, find the income elasticity of demand.

A. 0.625
B. 0.425
C. 0.650
D. 0.525

25. In India those farmers are called 'marginal farmers' who hold land up to.

A. 1 hectare
B. 2 hectare
C. 3 hectare
D. 4 hectare

26. Starting from an autarky (no-trade) situation with Heckscher-Ohlin model, if Country H is relatively labor abundant, then once trade begins

A. wages and rents should rise in H
B. wages and rents should fall in H
C. wages should rise and rents should fall in H.
D. wages should fall and rents should rise in H.

27. Pradhan Mantri Jan Arogya Yojana (PM-JAY) was launched by Government of India in the year,

A. 2018
B. 2019
C. 2020
D. 2021

28. The density function of the random variable X is given by

$$g(x) = \begin{cases} 6x(1-x) & for\ 0 < x < 1 \\ 0 & elsewhere \end{cases}$$

Find $P(X < \frac{1}{4})$.

    A. 5/22
    B. 5/27
    C. 5/32
    D. 5/37

29. The main difference between a tariff and a quota is,

    A. A quota reduces the quantity of imports more than a tariff
    B. A tariff raises the price of imports more than a quota
    C. A quota does not harm domestic consumers
    D. A tariff generates government revenue, while a quota, unless it is sold, does not

30. Dearness Allowances of Central and State government employees is revised according to,

    A. Consumer Price Index
    B. Wholesale Price Index
    C. Food grain Price Index
    D. Manufacturing Price Index

31. The model where the value of Y depends only on its value in the previous time period and a random error term is,

    A. Single equation model
    B. AR (1) model
    C. MA (1) model
    D. ARMA (1,1) model

32. _____ is the ability of a firm to design, produce, and market goods and services that are better and/or cheaper than those of other firms.
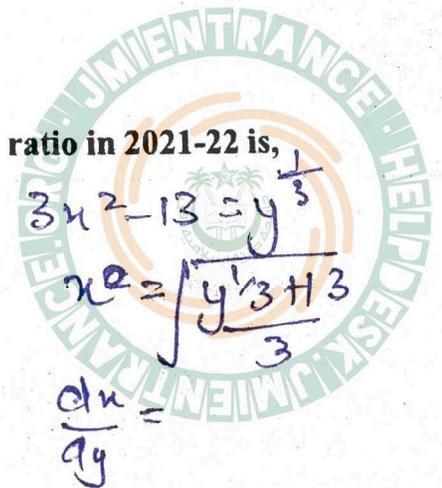   A. Competitiveness
    B. Protectionism
    C. Comparative advantage
    D. Interventionism

33. According to economic survey of India 2021-22, **Investment to GDP ratio in 2021-22 is,**

    A. **26.6%**
    B. **29.6%**
    C. **27.6%**
    D. **24.5%**

34. Given, $y = (3x^2 - 13)^3$, find dx/dy, using chain rule

A. $18x(3x^2-13)^2$

B. $18x(3x^2-26)^2$

C. $18x(3x^2-39)^2$

D. $18x(3x^2-13)$

35. Clean Environment Cess is imposed on,

   A. Cutting of green trees
   B. Pollution of rivers
   C. Production of coal
   D. Air pollution by factories

36. In regression model $u_t = \rho u_{t-1} + \varepsilon_t, where -1 < \rho < +1$, ρ is the,

   A. Coefficient of autocorrelation
   B. First-order Coefficient of autocorrelation
   C. Coefficient of autocorrelation at lag 1
   D. All of the above

37. Who among the following is credited with first drawing attention to trade creation and trade diversion effects,

   A. Bella Ballsa
   B. Jacob Viner
   C. Paul Samuelson
   D. G. Haberler

38. A good can be produced in a competitive industry at a cost of $10 per unit. There are 100 consumers are each willing to pay $12 each to consume a single unit of the good (additional units have no value to them). If the government imposes a tax of $1 on the good. What is the deadweight loss of this tax?

   A. $100
   B. $50
   C. Zero
   D. None of the above

39. Financial dualism theory was developed by,

   A. B. Higgins
   B. H. Myint
   C. W.A. Lewis
   D. R. Nurkse

40. Given the sets $S_1 = \{2,4,6\}$, $S_2 = \{7,2,6\}$, $S_3 = \{4,2,6\}, and\ S_4 = \{2,4\}$ which of the following statement is true?

A. $8 \in S_2$

B. $4 \notin S_1$

C. $S_1 \supset S_4$

D. $S_1 \supset \{1, 2\}$

41. As per the economic survey 2021-22, India's real GDP for the financial year 2022-23 is expected to grow at the rate of,

   A. 10 – 10.5%

   B. 8.0 - 8.5%

   C. 9.0 – 9.5%

   D. 12.0 – 12.5%

42. In Solow's growth model, the output per capita is a function of :

   A. Labour - Output ratio

   B. Capital - Output ratio

   C. Technical progress

   D. Capital - Labour ratio

43. Find the inverse of $A = \begin{bmatrix} 3 & 2 \\ 1 & 0 \end{bmatrix}$.

$\begin{bmatrix} 0 & -1 \\ -2 & 3 \end{bmatrix}$

   A. $\begin{bmatrix} 2 & -2 \\ -1 & 3 \end{bmatrix}$

   B. $\begin{bmatrix} 0 & 1 \\ \frac{1}{2} & -\frac{3}{2} \end{bmatrix}$

   C. $\begin{bmatrix} 0 & -2 \\ -1 & 4 \end{bmatrix}$

   D. $\begin{bmatrix} 0 & 1 \\ \frac{1}{2} & -\frac{2}{3} \end{bmatrix}$

44. Which of the following items is/are not covered under GST?

   A. Petroleum products

   B. Electricity

   C. Alcohal for human consumption

   D. All of the above

45. Who among the following called trade as the 'hand maiden' of growth?

A. J. Viner
B. Irwing B. Kravis
C. Anne Kruger
D. J. Bhagwati

46. If X has the probability density

$$f(x) = \begin{cases} e^x & \text{for } x > 0 \\ 0 & \text{elsewhere} \end{cases}$$

find the expected value of $g(X) = e^{3X/4}$

A. 6
B. 5.2
C. 4
D. 3.5

47. "The absorption approach" of analyzing balance of payments was formulated by

A. M. Friedman
B. Marshall and Lerner
C. Sydney Alexander
D. Haberler

48. Use Cramer rule to solve the following equation system,

$$5x_1 + 3x_2 = 30$$
$$6x_1 - 2x_2 = 8$$

A. $x_1^* = 5;\quad x_2^* = 3$
B. $x_1^* = 5;\quad x_2^* = 5$
C. $x_1^* = 3;\quad x_2^* = 5$
D. $x_1^* = 3;\quad x_2^* = 3$

49. Foodgrains production in India in 2019-2020 was about,

A. 295 mt
B. 285 mt
C. 275 mt
D. 300 mt

50. In which year for the first time population census was conducted in India?

A. 1881
B. 1891

C. 1901

D. 1911

51. The chairman of the 15th Finance Commission is,

A. Nand kishore Singh

B. Dr C. Rangarajan

C. Dr Vijay Kelkar

D. Dr Y.V. Reddy

52. Given $q = (1 - v^2)/(1 - v)$, find $\lim q$.

A. 3

B. 2

C. 4

D. 2.5

53. If interest payments are subtracted from gross fiscal deficit, the remainder will be,

A. revenue deficit

B. gross primary deficit

C. capital deficit

D. budgetary deficit

54. Transfer payments are,

A. payments made to a factor of production

B. payments transferred from one sector to another

C. payments made for no return service

D. payments made by government of one country to another

55. If we twice flip a balanced coin, what is the probability of getting at least one head?

A. 4/3

B. 3/4

C. 2/3

D. 5/4

56. Stochastic variables are

A. Deterministic values

B. Non-random variables

C. Imply causation

D. Have probability distribution

57. Population census data is an example of

A. Cross-sectional data
B. Time series data
C. Pooled data
D. Panel data

58. RBI was formed on the recommendation of,

A. Hilton-Young Commission
B. Royal Commission on Indian Banks
C. Keynes Commission
D. None of the above

59. If a consumer has a utility function $u(x_1, x_2) = x_1 x_2^4$, what fraction of her income will she spend on good 2?

A. 1/4
B. 1/5
C. 4/5
D. 4/3

60. The book "The Price of Inequality" is authored by,

A. Joseph E Stiglitz
B. Jim Yong Kim
C. Amartya Sen
D. Suresh Tendulkar

61. Regression analysis is concerned with the study of the dependence of,

A. Explanatory variables on one or more dependent variable
B. Dependent variable on one or more explanatory variables
C. Both explanatory and dependent variables on other known variables
D. Two known variables

62. If X is the number of points rolled with a balanced die, find the expected value of $g(X) = 2x^2 + 1$.

A. 92/7
B. 94/3
C. 94/5
D. 92/3

63. In $Y_i = \beta_1 + \beta_2 X_i + u_i$; u_i can take values that are,

A. Only positive
B. Only negative
C. Only zero
D. Positive, negative or zero

64. The Nobel Prize Winner for the work on 'Governing the Commons' is

   A. George Akerlof
   B. Garrett Hardin
   C. Gunnar Myrdal
   D. Elinor Ostrom

65. Linear regression model is.

   A. Linear in explanatory variables but may not be linear in parameters
   B. Nonlinear in parameters and must be linear in variables
   C. Linear in parameters and must be linear in variables
   D. Linear in parameters and may not be linear in variables

66. A random variable has a Poisson distribution and it is referred to as a Poisson random variable if and only if its probability distribution is given by,

   A. $p(x;\lambda) = \dfrac{\lambda^x e^{-\lambda}}{x!}$ for $x = 0,1,2,...$

   B. $p(x;\theta) = \theta^x (1-\theta)^{1-x}$ for $x = 0,1$

   C. $b(x;n,\theta) = \binom{n}{x} \theta^x (1-\theta)^{n-x}$ for $x = 0,1,2,...n$

   D. $u(x;\alpha,\beta) = \begin{cases} \dfrac{1}{\beta - \alpha} & for\ \alpha < x < \beta \\ 0 & elsewhere \end{cases}$

67. 'Make in India' campaign aimed at attracting industrialists to make India a Global Manufacturing Hub was launched on.

   A. September 25, 2014
   B. March 20, 2015
   C. February 25, 2016
   D. December 30, 2015

68. In $\hat{Y}_i = \hat{\beta}_1 + \hat{\beta}_2 X_i + \hat{u}_i$, $\hat{u}_i$ gives the differences between,

   A. The actual and estimated Y values
   B. The actual and estimated X values
   C. The actual and estimated beta values
   D. The actual and estimated u values

69. Homoscedasticity refers to the error terms having,

   A. Zero mean
   B. Positive variance

C. Constant variance

D. Positive mean

70. Inflationary gap refers to excess of aggregate demand over aggregate supply at

   A. full employment level

   B. after full employment level

   C. before full employment level

   D. both (1) and (2) above

71. Which of the following describes the Lemons problem in economics?

   A. Bad currency drives out the good currency

   B. Low-quality goods can drive high quality goods out of the market

   C. Low cost firms drive out high cost firms from the market

   D. Excess production of a horticulture crop

72. Suppose a small country imposes a tariff on a good. Which of the following statements is false?

   A. Consumer surplus from the good will decrease

   B. Producer surplus from the good will decrease

   C. The quantity imported will fall

   D. The deadweight loss will be less than the total fall in surplus

73. What kind of preferences are represented by a utility function of the form $u(x_1, x_2) = \sqrt{x_1 + x_2}$?

   A. Quasilinear preferences

   B. perfect substitutes

   C. perfect complementary

   D. Cobb-Douglas preferences

74. Who suggested to Govt of India to introduce expenditure tax,

   A. N. Kaldor

   B. J. R. Hicks

   C. Hanson

   D. Ursula Hicks

75. When we reject the null hypothesis, then our finding is said to be,

   A. 95% probability finding

   B. 5% confidence finding

   C. Not statistically significant

   D. Statistically significant

76. In environmental economics, Herman Daly has formulated,

   A. Step up approach

   B. Space utilization approach

C. Ecological approach

D. Steady-state approach

77. In $Y_i = \beta_1 + \beta_2 X_{2i} + \beta_3 X_{3i} + u_i$; the partial regression coefficients are given by,

A. β_1 and β_2

B. β_2 and β_3

C. β_1 and β_3

D. β_1 and u_i

78. In the Paul Sweezy Model of Oligopoly in the Kinked Demand Curve, the point of kink represents

A. Quantity Rigidity

B. Price Rigidity

C. Both the Price and Quantity Rigidity

D. Neither Price Rigidity nor Quantity Rigidity

79. Given the sample size, if we try to reduce the probability of rejecting the true hypothesis, we at the same time increase the probability of accepting the false hypothesis. This statement is,

A. True only for Type I error

B. True only for Type II error

C. Always true

D. Never true

80. Liquidity trap is a situation when

A. all potential investors expect the rate of interest to rise in future

B. all potential investors expect the rate of interest to fall in future

C. natural rate of interest is above the critical rate of interest

D. demand for money for speculative purpose is interest inelastic

81. In classical linear regression model, $\lambda_2 X_{2i} + \lambda_3 X_{3i} = 0$ with $\lambda_2 = \lambda_3 = 0$ refers to the assumption of,

A. Zero mean value of the disturbance term

B. Homoscedasticity

C. No autocorrelation

D. No multicollinearity

82. "The Table of nature is laid for the few. Those who come uninvited will starve". Who among the following made this statement?

A. Julius Simon

B. Boserup

C. T.R. Malthus

D. H. Dalton

83. Farmers are worse off when there is a good harvest as

A. Demand for farmers produce is elastic
B. Demand for farmers produce is inelastic
C. Supply of agrarian goods is elastic
D. It is an inferior good

84. 'Value and Capital' is written by who among the following economist?

A. Hanson
B. Philipes
C. Ursula
D. J.R. Hicks

85. Which of the following is not a part of current account?

A. Dividends received on a foreign investment
B. Purchase of a plane ticket on a foreign airline
C. Shipment of food aid to a poor country
D. Purchase of a foreign bond

86. As per IS-LM framework, an increase in government expenditure will result in

A. Increase in income only
B. Decrease in investment and interest rate both
C. Increase in income and interest rate both
D. Decrease in income and interest rate both

87. A stochastic process whose mean, variance and autocovariance are constant over time is known as

A. Trend stationary
B. Difference stationary
C. Weakly stationary
D. Strictly stationary

88. Laffer curve shows the relationship between,

A. Tax revenue and time
B. Tax Rate and income
C. Tax revenue and tax rate
D. None of the above

89. Who formulated the 'People's Plan' for India in 1944 ?

A. J.L. Nehru
B. M.N. Roy
C. Subhas Chandra Bose

M-08 (SET-D)

D. Mahatma Gandhi

90. Who among the following developed the Wage-Goods model?

   A. Dobb
   B. A.K. Sen
   C. Vakil and Brahmananda
   D. P.C. Mahalonobis

91. Test statistics to test stationarty of a time series in the presence of correlated error term is,

   A. Dickey-Fuller test
   B. Engle-Granger test
   C. Error correction mechanism
   D. Augmented Dickey-Fuller test

92. When the Reserve Bank of India announces an increase of the Cash Reserve Ratio, what

does it mean ?

   A. The commercial Banks will have less money to lend
   B. The Reserve Bank of India will have less money to lend
   C. The Union Government will have less money to lend
   D. The commercial Banks will have more money to lend

93. If $A = \begin{bmatrix} 1 & 2 \\ 3 & 4 \end{bmatrix}$ and $B = \begin{bmatrix} 0 & -1 \\ 6 & 7 \end{bmatrix}$ then $(AB)'$ will be equal to,

   A. $\begin{bmatrix} 12 & 25 \\ 13 & 24 \end{bmatrix}$

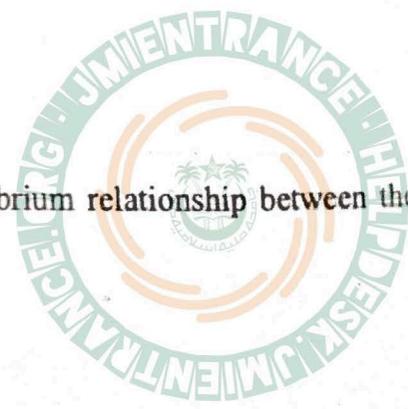   B. $\begin{bmatrix} 12 & 24 \\ 13 & 25 \end{bmatrix}$

   C. $\begin{bmatrix} 15 & 24 \\ 13 & 25 \end{bmatrix}$

   D. $\begin{bmatrix} 12 & 24 \\ 16 & 25 \end{bmatrix}$

94. A cointegration of two or more time series suggests that a equilibrium relationship between them exists that is of,

   A. Long-run
   B. Short-run
   C. Very short-run
   D. Either (A) or (B) depending on the number of lags

95. The most popular definition of sustainable development is given by

    A. World Development Report
    B. UNDP Report
    C. Brundtland Report
    D. IMF Report

96. Suppose that a scarce resource, facing a constant demand, will be exhausted in 15 years, if an alternative resource will be available at a price of $40 and if the interest rate is 10%, what must the price of the scarce resource be today?

    A. $16.52
    B. $15.42
    C. $14.45
    D. $40.10

97. Backward-bending supply curve of labour suggests that,

    A. When wage rate increases, supply of labour declines
    B. When wage rate declines, supply of labour increases
    C. There is no relationship between wage rate and labour supply
    D. When wage rate increases, initially labour supply increases and after some point with the increase in wage rate, labour supply decreases

98. The exchange rate is kept the same in all parts of the foreign exchange market by,

    A. exchange arbitrage
    B. interest arbitrage
    C. hedging
    D. speculation

99. When a nation imposes an import tariff, the nation's offer curve will,

    A. shift away from the axis measuring its export commodity
    B. shift away from the axis measuring its import commodity
    C. not shift
    D. any of the above is possible

100. Suppose that the demand curve is given by $D(p) = 10 - p$. What is the gross benefit from consuming 6 units of the good?

    A. 64
    B. 42
    C. 24
    D. 18