

Paper Code No. : **M-08**

Question Booklet No. : .....

020074

# Entrance Examination — (2023-24)

## SET - B

ROLL NO 

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Signature of Invigilator

Time : 1 HOUR 30 MINUTES

Total Marks : 100

### Instructions to Candidates

1. Do not write your name or put any other mark of identification anywhere in the OMR Response Sheet. IF ANY MARK OF IDENTIFICATIONS IS DISCOVERED ANYWHERE IN OMR RESPONSE SHEET, the OMR sheet will be cancelled, and will not be evaluated.
2. This Question Booklet contains the cover page and a total of 100 Multiple Choice Questions of 1 mark each.
3. Space for rough work has been provided at the beginning and end. Available space on each page may also be used for rough work.
4. There is negative marking in Multiple Choice Questions. For each wrong answer, 0.25 marks will be deducted.
5. USE/POSSESSION OF ELECTRONIC GADGETS LIKE MOBILE PHONE, iPhone, iPad, page ETC. is strictly PROHIBITED.
6. 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.
7. Answers must be marked in the OMR response sheet which is provided separately. OMR Response sheet must be handed over to the invigilator before you leave the seat.
8. The OMR response sheet should not be folded or wrinkled. The folded or wrinkled OMR/Response Sheet will not be evaluated.
9. Write your Roll Number in the appropriate space (above) and on the OMR Response Sheet. Any other details, if asked for, should be written only in the space provided.
10. There are four options to each question marked A, B, C and D. Select one of the most appropriate options and fill up the corresponding oval/circle in the OMR Response Sheet provided to you. The correct procedure for filling up the OMR Response Sheet is mentioned below.

CORRECT METHOD			
(A)	●	(C)	(D)

WRONG METHOD									
(A) (B) (C) (D)	(A) (B) (C) (D)	● (B) (C) (D)	(A) ● (C) (D)	(A) ● (C) (D)	● (B) (C) ●				

1. Which among the following is not covered in the fortnightly Money Supply data provided by the Reserve Bank of India?
  - (a) Currency with the Public
  - (b) Net Bank Credit to Government Sector
  - (c) Bank Credit to Commercial Sector
  - (d) Banking Sector's Monetary Liabilities
2. Which among the following targets was not included in the Fiscal Responsibility and Budget Management Act, 2003 vis-a-vis responsibilities of the Central Government?
  - (a) to limit the fiscal deficit upto three per cent. of gross domestic product by the 31<sup>st</sup> March, 2021
  - (b) to ensure that its debt does not exceed forty per cent of gross domestic product by the end of financial year 2024-2025
  - (c) to ensure that it shall not borrow from the Reserve Bank except by way of advances to meet temporary excess of cash disbursement over cash receipts during any financial year
  - (d) to limit the Revenue Deficit upto 20 percent as percentage of GDP by the 31<sup>st</sup> March, 2023
3. Which type of work is not included within the scope of the Mahatma Gandhi National Rural Employment Guarantee Scheme?
  - (a) Public works relating to natural resources management such as water conservation and water harvesting structures
  - (b) Community assets or individual assets for vulnerable sections such as improving livelihoods through horticulture
  - (c) Common infrastructure like pucca storage facilities for agricultural produce
  - (d) Rural infrastructure like construction of buildings for primary health centre
4. Which among the following is not included in the 'Horizontal devolution' formula recommended by the fifteenth finance commission?
  - (a) Demographic performance
  - (b) Percentage of people below poverty line
  - (c) Forest and ecology
  - (d) Income distance
5. Which among the following is not included among India's Intended Nationally Determined Contributions (INDC)?
  - (a) To reduce the emissions intensity of its GDP by 33 to 35 percent by 2030 from 2005 level.
  - (b) To create an additional carbon sink of 2.5 to 3 billion tonnes of CO<sub>2</sub> equivalent through additional forest and tree cover by 2030
  - (c) To achieve about 40 percent cumulative electric power installed capacity from non-fossil fuel based energy resources by 2030
  - (d) To cut subsidies and increased taxes on fossil fuels (petrol and diesel) turning a carbon subsidy regime into one of carbon taxation by 2030

6. Revision in the Variable Dearness Allowance for Minimum Wages takes place on the basis of Consumer Price Index for industrial workers (CPI-IW) for the following category of Central sphere Employees:
- (a) Semi-skilled (b) Skilled/clerical  
(c) Highly skilled (d) All of the above
7. Which among the following is not a term against which government releases data?
- (a) CPI-Combined (C) inflation (b) WPI inflation  
(c) Retail inflation (d) Wholesale inflation
8. Which among the following is not a term associated with the planning process in India?
- (a) Rolling plan (b) Plan Holidays  
(c) Annual Plans (d) Plan expenditure
9. Which sector, among the following, had its 13<sup>th</sup> five year plan for 2017-22?
- (a) Defence (b) Railways  
(c) Education (d) Health
10. There are two individuals, 1 and 2. Suppose, they are offered a lottery that gives Rs. 170 or Rs. 70 each with probability equal to 1/2. The alternative to the lottery is a fixed amount of money given to the individual. Assume that individuals are expected utility maximizers. Suppose individual 1 will prefer to get Rs. 110 with certainty over the lottery. However, Individual 2 is happy receiving a sure sum of Rs 100 rather than facing the lottery. Which of the following statements is correct??
- (a) both individuals are risk averse (b) 2 is risk averse but 1 loves risk  
(c) 1 is risk averse but 2 loves risk (d) none of the above
11. Deadweight loss is a measure of
- (a) change in consumer welfare (b) change in producer welfare  
(c) change in social welfare (d) change in social inequality
12. Disguised unemployment is formed
- (a) when marginal revenue productivity of labour is less than wage  
(b) when marginal revenue product of labour is zero with a positive wage  
(c) when more people are engaged in some activity than the number of persons required for it  
(d) All of the above
13. The dependency ratio is the ratio of
- (a) children to adults in the population  
(b) unemployed to employed workers in the labor force  
(c) foreign aid to total GNP  
(d) non-working age group population to working age population

14. The Gini coefficient provides a measure of :
- (a) the level of poverty (b) the level of relative inequality  
(c) disguised unemployment (d) the rate of growth
15. Let  $\Delta G$  and  $\Delta T$  respectively represent change in government expenditure and change in taxes and  $\Delta G = \Delta T$ , then the value of the multiplier would be equal to
- (a) one (b) zero  
(c)  $\Delta G$  (d)  $\Delta G + \Delta T$
16. An externality arises
- (a) when property rights are not well-defined over some good  
(b) due to non-rivalry in the consumption of some good  
(c) due to rivalry in the consumption of some good  
(d) none of the above

**Next two Questions are based on the following information: The turnout of spectators at an IPL match is dependent upon weather. On a rainy day, the probability of a large turnout is 0.4 but if it doesn't rain, the probability of a large turnout increases to 0.9. The weather forecast gives a probability of 0.75 that it will rain on the day of the match.**

17. The probability of the event that there is a large turnout and it rains is
- (a) 0.3 (b) 0.2  
(c) 0.1 (d) 0.4
18. The probability of the event that there is a large turnout
- (a) 0.525 (b) 0.3  
(c) 0.225 (d) 0.375
19. For a normally distributed variable, approximately ..... of the data lies within one standard deviation of the mean
- (a) 46 (b) 68  
(c) 75 (d) 50
20. For a normally distributed variable, approximately ..... of the data lies within three standard deviation of the mean
- (a) 99.5 (b) 99.6  
(c) 99.7 (d) 99.8
21. Harmonic mean for 2, 5, 7, and 9 is
- (a) 4.19 (b) 0.95  
(c) 5.75 (d) 4.91

22. Which among the following is not a factor of  $f(x) = 6x^3 + x^2 - 19x + 6$
- (a)  $2x + 1$  (b)  $2x - 3$   
(c)  $x + 2$  (d)  $3x - 1$
23. Value of  $\log_4 0.25$  is
- (a) 0 (b) 0.5  
(c) 1 (d) -1
24. If  $3^x = 2^{x+1}$ , then  $x =$
- (a) 1.7095 (b) 1.7195  
(c) 1.7295 (d) 1.6995
25. 4<sup>th</sup> term of a geometric series is 1.08 and 7<sup>th</sup> term is 0.23328. Sum of the series to infinity is
- (a) 5.2 (b) 13.6  
(c) 9.9 (d) 12.5
26. Critical minimum effort refers to
- (a) the minimum labour input required to raise the marginal productivity of labour  
(b) the ideal ratio in which to combine labour with capital  
(c) the big push advocated to raise an economy from continued stagnation  
(d) none of the above
27. In constant 1991 Currency (C), real GNP in Xanadu increased from C 206.1 billion in 1995 to C 214.7 billion in 1996. Investment in 1995 totalled C 43 billion. What was the value of the ICOR?
- (a) 5 (b) 0.2  
(c) 8.6 billion (d) Insufficient data
28. In the Harris-Todaro model, in equilibrium, the expected urban wage rate will be ..... the rural wage rate
- (a) Equal to (b) Greater than  
(c) Less than (d) None of the above
29. Which one among the following is an example of a pure public good?
- (a) A circular park with 100 meter radius  
(b) A 6 lane highway  
(c) Services offered by Defence forces  
(d) Services offered by streetlights maintained by municipalities

Answer next eight questions on the basis of the following :

Advanced estimates of GDP for 2015-16 and 1<sup>st</sup> revised estimate of GDP for 2014-15 (in INR crore)

		GVA at basic prices	Taxes on products including import duties	Subsidies on products	GDP
At constant 2011-12 prices	2014-15 (1 <sup>st</sup> RE)	9727490	1108339	283679	A
	2015-16 (AE)	B	1193486	280102	11350962
	Growth	C	7.7	-1.3	D
At current prices	2014-15 (1 <sup>st</sup> RE)	E	1350361	334565	12488205
	2015-16 (AE)	12252306	1643688	328802	F
	Growth	G	21.7	-1.7	H

10823924  
283679  
-282150

11350962  
280102  
11070860  
-193486  
12264346

12488205  
328802  
12817007  
-1350361  
1282270  
1350361  
11472409

13895994  
328802  
14224796  
-71192  
67192

30. A is equal to  
 (a) 10552150 (b) 8902830  
 (c) 9727490 (d) 11119508
31. B is equal to  
 (a) 11350962 (b) 9877374  
 (c) 12264346 (d) 10437578
32. C is equal to (in %)  
 (a) 1.5 (b) 26.1  
 (c) 7.3 (d) 16.7
33. D is equal to (in %)  
 (a) 7.6 (b) 27.5  
 (c) 2.1 (d) 16.7
34. E is equal to (in INR crore)  
 (a) 12488205 (b) 10803279  
 (c) 13504001 (d) 11472409
35. F is equal to  
 (a) 12252306 (b) 13567192  
 (c) 10937420 (d) 14224796
36. G is equal to (in %)  
 (a) 13.4 (b) -9.3  
 (c) 6.8 (d) -1.9

37. H is equal to (in %)
- (a) 8.6 (b) 6.8  
 (c) -2.1 (d) 2.1
38. 'L' shaped isoquants do not imply that
- (a) increasing returns to scale  
 (b) incremental capital-output ratio is constant  
 (c) inputs are used in fixed proportions  
 (d) no substitution between inputs
39. Inverse U hypothesis propounded by Simon Kuznets refers to a relation in countries at a point of time between
- (a) Extent of relative inequality and per capita income  
 (b) Extent of poverty and rate of economic growth  
 (c) Gini Coefficient and rate of economic growth  
 (d) Extent of poverty and per capita income
40. When the manufacturer of power looms expands, there are forward linkage effects due to
- (a) increased incomes of workers that manufacture looms  
 (b) increased output of woven cloth made by the power looms  
 (c) increased demand for electric motors  
 (d) lost employment in the hand-loom sector
41. If the Reserve Bank of India reduces the supply of Indian rupees in the foreign exchange market relative to the Bangladeshi Taka, which of the following situations is likely to occur?
- (a) Indian rupee will depreciate  
 (b) The Bangladeshi taka will appreciate  
 (c) The Bangladeshi consumers will have to pay more for products exported by India  
 (d) The Bangladeshi goods imported by India will be more expensive
42. Type I error is said to occur when
- (a) The null hypothesis is rejected even when it is true  
 (b) The null hypothesis is accepted even when it is false  
 (c) The null as well as alternative hypothesis both are rejected  
 (d) None of the above
43. The function  $f(x) = x^2$ ,  $x \in R$  is
- (a) Strictly convex  
 (b) Strictly concave  
 (c) Convex when  $x < 0$  and concave when  $x > 0$   
 (d) None of the above

44. If the incomes of some people in an economy grow faster than that of others, then,
- The level of inequality rises
  - The level of inequality falls
  - The level of inequality can change in either direction
  - There is no change in the level of inequality
45. A typical indifference curve is negatively sloped in a two-commodity world because
- Marginal rate of substitution is diminishing
  - More of any commodity is better
  - Marginal rate of technical substitution is diminishing
  - None of the above
46. In a two commodity world, if the commodities are perfect substitutes, then the indifference curves are
- Kinked straight lines
  - Curved lines convex to the origin
  - Straight lines
  - None of the above
47. Given  $A = \begin{bmatrix} 1 & 3 \\ 2 & 8 \\ 4 & 0 \end{bmatrix}$  and  $B = \begin{bmatrix} 5 \\ 9 \end{bmatrix}$ ,  $AB$  is  $\begin{bmatrix} x \\ y \\ z \end{bmatrix}$ . Values of  $x$ ,  $y$ , and  $z$  are :
- $\left[ \begin{array}{l} 5+27 \\ 10+72 \\ 20+0 \end{array} \right]$
- (32, 82, 20)
  - (15, 45, 68)
  - (90, 34, 56)
  - (22, 33, 44)
48. If  $g(x) = \frac{x}{1+x}$  ( $x \neq 1$ ), then  $g'''(x) =$
- $-(1+x)^{-2}$
  - $2(1+x)^{-3}$
  - $-6(1+x)^{-4}$
  - $24(1+x)^{-5}$
49. Inverse of  $A = \begin{bmatrix} 3 & 2 \\ 1 & 0 \end{bmatrix}$ ,  $A^{-1} = \begin{bmatrix} l & m \\ n & x \end{bmatrix}$ , then  $(l, m, n, x)$  IS
- (0, 1, 1/2, -3/2)
  - (-1/2, 1, 0, 3/2)
  - (-3/2, 0, 1/2, 1)
  - (1, 1/2, 0, -3/2)
50. If  $v =$  capital-output ratio,  $g$  is the overall rate of growth,  $s$  is the savings rate and  $\delta$  represents the capital stock that depreciates, then Harrod-Domar equation can be written as
- $s/v = g + \delta$
  - $s/\delta = v + g$
  - $g/v = \delta + s$
  - none of the above
51. If Lorenz curves cross, we say there is less inequality in the case where
- the poorer get a larger percentage of income
  - the poorer get a smaller percentage of income
  - the richer are less rich
  - We cannot say

Next three questions will be based on the following information :

Labour required	1 computer	1 sack of rice
In country N	10	15
In country S	40	20

52. The common relative price at which trade will take place between countries N and S in computer and rice is
- (a) Below  $2/3$  (b) Above 2  
(c) Between  $2/3$  and 2 (d) Insufficient information
53. Which among the following is an incorrect statement
- (a) N has absolute advantage in production of computer  
(b) N has absolute advantage in production of sack of rice  
(c) N has comparative advantage in production of rice  
(d) N has comparative advantage in production of computer
54. If two balanced dice are rolled, the sum of dots obtained is even with probability :
- (a)  $1/2$  (b)  $1/4$   
(c)  $3/8$  (d)  $1/3$
55. Determine the eigenvalues of the following matrix:  $A = \begin{bmatrix} 8 & 6 \\ 6 & 8 \end{bmatrix}$
- (a) 2 and 14 (b) 0 and 2  
(c) 2 and 16 (d) 0 and 16
56. For a successful price discrimination, which of following conditions is *not* necessary?
- (a) Absence of arbitrage  
(b) Different price elasticity of demands across markets  
(c) Segregated markets  
(d) Single seller
57. The marginal cost of producing  $x$  units of some commodity is  $3x^2 + x + 1$ . Fixed cost is 150. The total cost shall be :
- (a)  $3x^3 + x^2 + x + 150$  (b)  $x^3 + x^2 + x + 150$   
(c)  $3x^3 + x^2/2 + x/2 + 150$  (d)  $x^3 + x^2/2 + x + 150$
58. Given an initial allocation, a ..... is a new allocation where some agents will be strictly better off, and no agents will be worse off
- (a) Pareto improvement (b) Pareto superior  
(c) Pareto efficient (d) Pareto inferior

59. A devaluation of domestic currency will improve the country's trade balance only if the following is true for price elasticities of demand
- The sum of price elasticities of demand of exports and imports equals 1
  - The sum of price elasticities of demand of exports and imports is less than 1
  - The sum of price elasticities of demand of exports and imports is greater than 1
  - The price elasticity of exports equals the price elasticity of imports
60. Identify the correct formula :
- Real exchange rate = (Nominal exchange rate x Domestic price) / Foreign price
  - Real exchange rate = (Nominal exchange rate x Foreign price) / Domestic price
  - Real exchange rate = (Nominal exchange rate x Domestic rate of inflation) / Foreign rate of inflation
  - Real exchange rate = (Nominal exchange rate x Foreign rate of inflation) / Domestic rate of inflation
61. The primary deficit refers to.
- The fiscal deficit less the interest outgo in the budget
  - The deficit in the primary sector of the economy
  - The deficit in the revenue account of the budget
  - The deficit in the capital account of the budget
62. What is the present International Poverty line :
- \$2.15 per day (expressed in 2017 international-\$)
  - \$1.90 per day (expressed in 2011 international-\$)
  - \$2.15 per day (expressed in 2011 international-\$)
  - \$1.90 per day (expressed in 2017 international-\$)
63. If A is the principal amount, and r is the nominal interest rate per period, then the asset value at the end of t periods of continuous compounding process shall be
- $Ae^{rt}$
  - $A^t$
  - $Ae^t$
  - $Ae^{r+t}$
64. In case it was stated that a population has a mean of 18 and a variance of 0, it can be inferred that
- There is only one element in the population
  - There have been some error in the observation
  - There are no elements in the population
  - All elements in the population are 18
65. Which among the following functions does not have a degree of homogeneity equal to 1?
- $Q = 100K^{1/4}L^{3/4}$
  - $Q = 200K^{0.5}L^{0.5}$
  - $Q = K^2 + 2KL + L^2$
  - $Q = (K^2 + 2KL + L^2)^{1/2}$

Next 3 questions are based on the following table :

Income effect (with respect to price) (y)	Substitution effect (s)	Relation between y and s	Price effect	Type of good
(-)	(-)	y  greater than less than or equal to  s	(-)	A
(+)	(-)	y  <  s	(-)	B
(+)	(-)	y  >  s	(+)	C

66. A is a
- (a) Normal Good (b) Inferior Good
- (c) Giffen Good (d) Superior Good
67. B is a
- (a) Normal Good (b) Inferior Good
- (c) Giffen Good (d) Superior Good
68. C is a
- (a) Normal Good (b) Inferior Good
- (c) Giffen Good (d) Superior Good
69. Plotting  $x^2 + y^2 = a^2$  will reveal a
- (a) Rectangular hyperbola (b) Regular hyperbola
- (c) Circle (d) U shaped curve against x-axis
70. The term excess capacity is associated with
- (a) Oligopoly (b) Perfect competition
- (c) Monopoly (d) Monopolistic competition
71. Identify the incorrect statement about Classical Economics
- (a) The role of real stressed upon as opposed to monetary factors in determining output and employment
- (b) Money had a role in the economy only as a means of exchange
- (c) Self-adjusting tendencies of the economy were stressed upon
- (d) Government policies to ensure an adequate demand for output were considered by classical economists to be necessary

72. Keynesian Theory of Money Demand does not include ..... as the motives for holding money.
- (a) Transactions (b) Precautionary  
(c) Speculative (d) Liquidity
73. Which among the following determines the slope of the LM schedule?
- (a) Rate of interest (b) Quantity of money demanded  
(c) Income (d) Interest elasticity of money demand
74. Which among the following determines the slope of the IS schedule?
- (a) Government expenditure (b) Taxes  
(c) Net exports (d) Interest elasticity of investment
75. If marginal propensity to save is 0.211, value of Keynesian multiplier (upto 2 decimal places) will be
- (a) 4.73 (b) 4.74  
(c) 4.75 (d) 4.76
76. Stagflation refers to :
- (a) Very high rate of inflation  
(b) High rate of unemployment  
(c) High rate of employment and high rate of inflation  
(d) None of the above
77. Gender budgeting started in India with the Union budget of :
- (a) 2006-07 (b) 2004-05  
(c) 2014-15 (d) 2015-16
78. Which is not a type of mean?
- (a) Arithmetic (b) Geometric  
(c) Harmonic (d) Algebraic

**In the next 3 questions the following abbreviations have been used :**

$P_{i0}$  = Price of the commodity i at the base year,

$P_{it}$  = Price of the commodity i at the current year

$Q_{i0}$  = Quantity of the commodity i at the base year

$Q_{it}$  = Quantity of the commodity i at the current year

79.  $\frac{\sum P_{it}Q_{i0}}{\sum P_{i0}Q_{i0}}$  is the formula to derive ..... index number
- (a) Laspeyres (b) Paasche's  
(c) Fisher's (d) Shannon's

80.  $\frac{\sum P_{it}Q_{it}}{\sum P_{i0}Q_{it}}$  is the formula to derive ..... index number
- (a) Laspeyres (b) Paasche's  
(c) Fisher's (d) Shannon's
81.  $\sqrt{\frac{\sum P_{it}Q_{it}}{\sum P_{i0}Q_{it}}} \times \sqrt{\frac{\sum P_{it}Q_{i0}}{\sum P_{i0}Q_{i0}}} \times 100$  is the formula to derive ..... index number
- (a) Laspeyres (b) Paasche's  
(c) Fisher's (d) Shannon's
82. The number/item/interval corresponding to highest frequency is
- (a) Mode (b) Median  
(c) Arithmetic Mean (d) Geometric Mean
83. Inflow of foreign funds to some individuals or associations or corporations are governed by FCRA in India. Full form of this Act is
- (a) Foreign Currency (regulation) Act  
(b) Foreign Currency (reconciliation) Act  
(c) Foreign Contribution (reconciliation) Act  
(d) Foreign Contribution (regulation) Act
84. In a Cobweb model, let market demand function be  $Q_{dt} = \alpha - \beta P_t$ , lagged market supply function be  $Q_{st} = -\gamma + \delta P_{t-1}$  and at the market clearing price,  $Q_{dt} = Q_{st}$ . The oscillatory time path of price will be explosive if
- (a)  $\delta > \beta$  (b)  $\delta < \beta$   
(c)  $\delta = \beta$  (d)  $\delta + \beta = 0$
85. Economic policies introduced in 1991 included scrapping of concept of an MRTP company, who used to be placed under government supervision. Full form of MRTP is
- (a) Measures to Remove Tax Provisions  
(b) Monopolies and Removal of Trade Practices  
(c) Measures on Restrictive Trade Practices  
(d) Monopolies and Restrictive Trade Practices
86. On 30 October 1947, the General Agreement on Tariffs and Trade (GATT) was signed by 23 nations at the Palais des Nations in Geneva. WTO is a successor of GATT. Which among the following was not one of the founder members?
- (a) Burma (b) India  
(c) Pakistan (d) Sri Lanka

87. A non performing asset (NPA) is a loan or advance for which the principal or interest payment remained overdue for a period of 90 days. Banks are further required to classify the NPAs further. Which among the following is not included among them?
- (a) Substandard (b) Sub-prime  
(c) Doubtful (d) Loss
88. Which among the following is not associated with foreign exchange rate management
- (a) Dirty (b) Pegged  
(c) Floating (d) Portfolio
89. Evaluate :
- $$\int_1^6 (12x^3 - 9x^2 + 2)dx$$
- (a) 3250 (b) 3252  
(c) 3254 (d) 3256
90. Identify the earliest Act towards protection of environment in India.
- (a) Wildlife (Protection) Act  
(b) Biological Diversity Act  
(c) Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act  
(d) Environment (Protection) Act
91. Poverty line in India is based on minimum daily requirement of X and Y calories for an adult in rural and urban areas, respectively
- (a) X = 2375, Y = 2075 (b) X = 2385, Y = 2085  
(c) X = 2390, Y = 2090 (d) X = 2400, Y = 2100
92. "An increase in the income of a family decreases the proportion of which the income is spent on food, even though the total amount of food expenditure can increase. In other words, the income elasticity of demand of food is between 0 and 1." This is known as :
- (a) Derived from Heckscher-Ohlin model (b) Prebisch-Singer hypothesis  
(c) Engel's Law (d) Okun's Law
93. In case both axes plot bads (not goods), the indifference curves will be
- (a) Concave to the origin (b) Upward sloping line  
(c) Convex to the origin (d) Cannot be drawn
94. Which among the following is the fourth highest among the 'major items' reported under revenue expenditure of Government of India in 2021-22 (RE) as per 2022-23 budget document?
- (a) Interest (b) Subsidy  
(c) Defence (d) Transport

95. In the monetarist view, the long-run Philips curve is
- horizontal
  - vertical
  - downward sloping but steeper than the short-run curve
  - downward sloping but flatter than the short-run curve

For next two questions consider the following simplified model of an economy :

$$C = 3 + 0.9(Y - T)$$

$$I = 6$$

$$G = 11 - 0.01Y$$

$$T = 0.1Y$$

$$Z = C + I + G$$

$$Y = Z$$

$$3 + 0.9(Y - T) + 6 + 11 - 0.01Y$$

$$3 + 0.9Y - 0.9(0.1Y) + 6 + 11 - 0.01Y$$

$$9 + 0.9Y - 0.09Y - 0.01Y + 17$$

$$9 + 0.10Y + 17$$

96. What is the equilibrium level of income, Y, in this economy?
- 50
  - 70
  - 90
  - 100
97. For a decline in investment (I) from 6 to 4, calculate the new budget balance (T-G).
- +1.1
  - (-) 1.1
  - +1
  - (-) 1
98. Under Keynesian system, monetary policy is effective when
- IS schedule is steep
  - IS schedule is flat
  - LM schedule is steep
  - IS schedule is flat.
- Both (3) and (4) are correct
  - Both (2) and (3) are correct
  - Both (1) and (2) are correct
  - Both (4) and (1) are correct
99. Which among the following is not a proposition that follows from the monetarist position?
- In the long run, the influence of money is primarily on the price level and other nominal magnitudes.
  - In the long run, real variables such as output and employment are determined by monetary factors.
  - The private sector is inherently stable.
  - In the short run money is the dominant factor causing cyclical movements in output and employment.
100. Which among the following is not a category against which government collects data for employment :
- Usual Status
  - Current Weekly Status
  - Current Daily Status
  - Current Monthly Status