

1. When the demand curve is elastic, Marginal Revenue is
 - A) One
 - B) Zero
 - C) Positive
 - D) Negative

2. The locus of general equilibrium points of exchange in a two individual two commodity economy is called
 - A) The transformation curve
 - B) Social Welfare Function
 - C) The consumption contract curve
 - D) The production contract curve

3. The value of owned inputs used by the firm in its own production process is
 - A) Explicit cost
 - B) Implicit cost
 - C) Variable cost
 - D) Fixed cost

4. The locus of points on different isoquants at which the marginal rate of technical substitution of factors of production is constant
 - A) Isocost
 - B) Isocline
 - C) Expansion path
 - D) Production function

5. The negative income elasticity of demand for a commodity indicates that as income falls, the amount of the commodity purchased
 - A) Falls
 - B) Remains unchanged
 - C) Rises
 - D) None of these

6. Engel's law states that
 - A) The proportion of total expenditure on food declines as family income rises
 - B) The proportion of total expenditure on food increases as family income rises
 - C) The proportion of total expenditure on food remains same as family income rises
 - D) None of the above

7. If input prices fall as more inputs are demanded by an expanding industry, the long run industry supply curve for the commodity will be negatively sloped and it is a
 - A) Increasing cost industry
 - B) Decreasing cost industry
 - C) Constant cost industry
 - D) None of these

17. The Engel Curve for an Inferior good is
 A) Upward sloping from left to right
 B) Vertical
 C) Horizontal
 D) Backward sloping from right to left
18. When two goods X and Y are complementary goods, then the Price- Consumption Curve will be
 A) Downward Sloping B) Upward Sloping
 C) Horizontal D) L shaped
19. The Risk Theory of Profit is associated with the name of
 A) J.B. Clark B) F.B. Hawley
 C) Prof.G.L.S. Shackle D) Edgeworth
20. When the supply of money remains constant, an increase in demand for money leads to
 A) A fall in level of prices
 B) A decrease in rate of interest
 C) An increase in the level of income and employment
 D) An increase in rate of interest.
21. Recessions are considered as co-ordination failure by
 A) Monetarists B) New Keynesians
 C) Supply Side Economists D) Classical Economists
22. Supporters of Ricardo equivalence argue that
 A) National saving would be unaffected by tax cut
 B) National savings would increase by tax cut
 C) National savings would decrease by tax cut
 D) None of the above
23. The revenue raised through printing money is called
 A) Tobin tax B) Seignorage
 C) Fiscal deficit D) Primary deficit
24. According to Lipsey, money wages rise more rapidly, greater the amount of ----- in the labour market
 A) Excess demand B) Excess supply
 C) Excess money D) None of these
25. The tendency of expected future changes in output to bring changes in the current money supply in the same direction is referred to as
 A) Propagation Mechanism B) Reverse Causation
 C) Steady State D) None of these

26. When i =nominal rate of interest, π = rate of inflation and Y =National Income, the Taylor Rule is given by
 A) $i = \pi+0.02+0.5y+0.05(\pi-0.2)$
 B) $i = \pi+0.02+0.05y+0.5(\pi-0.02)$
 C) $i = \pi+0.02y+0.05+0.5(\pi-0.02)$
 D) $i = \pi+0.02+0.5y+0.5(\pi-0.02)$
27. A part of the State Deficit that would exist even if the economy were at its potential level of output.
 A) Structural Deficit B) Cyclical Deficit
 C) Primary Deficit D) None of these
28. When the LM curve is flat, Monetary Policy is
 A) Ineffective B) Perfectly Effective
 C) More Effective D) None of these
29. When the value of marginal propensity to save is low, the IS curve will be
 A) Vertical B) Horizontal
 C) Flat D) Steep
30. The difference between current income and normal income is
 A) Permanent Income B) Measured Income
 C) Transitory Income D) None of these
31. The rate at which one country's currency trades for another country's currency
 A) Nominal Exchange Rate B) Real Exchange Rate
 C) Fixed Exchange Rate D) Flexible Exchange Rate
32. The author of the book 'Business Cycles and Economic Growth'
 A) Schumpeter B) Duesenberry
 C) Samuelson D) Hicks
33. Expenditure on investment, in general is
 A) Procyclical in nature B) Acyclical in nature
 C) Countercyclical in nature D) None of these
34. In the Samuelson's model of Business Cycles, when $\alpha=0.5$ and $\beta=0$, the acceleration coefficient will be
 A) One B) Greater than one
 C) Zero D) Less than one
35. Shocks which affect the production function are
 A) Nominal Shocks B) Real Shocks
 C) Monetary Shocks D) None of these

36. Which among the following is not true in the case of Real Business Cycle Theory?
- A) Agents aim to maximize their utility subject to prevailing resource constraints.
 - B) Price flexibility ensures continuous market clearing
 - C) The distinction between short run and long run in the analysis of economic fluctuations and trends is abandoned.
 - D) Monetary policy is relevant having influence on real variables.
37. NNP at Factor Cost equals
- A) GNP at Market prices – Depreciation
 - B) GNP at Market prices – Depreciation – Indirect taxes + Subsidies
 - C) GNP at Market prices – Indirect taxes + Subsidies
 - D) GNP + Net Factor Income from abroad
38. The tendency for a variable shocked away from an initial value to not return to that value even after the shock is over is referred to as
- A) Hysteresis
 - B) Supply shock
 - C) Demand Shock
 - D) None of these
39. The process of increase in investment and employment via reduction in money wages and interest rate is referred to as
- A) Pigou Effect
 - B) Real Balance Effect
 - C) Portfolio Effect
 - D) Keynes Effect
40. Aggregate Demand in the classical model is determined by the
- A) Supply of output
 - B) Quantity of Money
 - C) Liquidity Preference
 - D) All of the above
41. Graphical method can be employed to solve a linear programming problem only when the problem has ----- variables.
- A) One
 - B) Two
 - C) Three
 - D) Four
42. An Ogive is
- A) A graph of ungrouped data
 - B) A graph of grouped data
 - C) A graph of cumulative frequencies
 - D) A graph with rectangles as opposed to a line graph
43. The slope of a line $y = ax + b$ is
- A) Y
 - B) a
 - C) X
 - D) b

44. When the first derivative of a function is positive and the second derivative is negative then the function is
 A) Increasing at an increasing rate
 B) Increasing at a decreasing rate
 C) Decreasing at an increasing rate
 D) Decreasing at a decreasing rate
45. If two rows or columns are linearly dependent, the determinant is
 A) Zero
 B) One
 C) Infinity
 D) None of these
46. The derivative of a constant function $y = k$, where k is any constant is
 A) Zero
 B) One
 C) Infinity
 D) None of these
47. Any square matrix A is said to be ----- matrix if it is equal to its negative transpose.
 A) Nilpotent Matrix
 B) Idempotent Matrix
 C) Orthogonal Matrix
 D) Skew Symmetric Matrix
48. In Kurtosis, when β_2 is less than 3, the curve is
 A) Platykurtic
 B) Mesokurtic
 C) Leptokurtic
 D) None of these
49. If the Average Revenue is 30 and the price elasticity of demand is 2, the marginal revenue is
 A) 15
 B) 25
 C) -15
 D) -25
50. If the supply and demand functions of a commodity is given by $Q_s = -10 + p$ and $Q_d = -2 - p$, what is the equilibrium price?
 A) -4
 B) 2
 C) 4
 D) -2
51. Combining two or more overlapping series of Index Numbers with different base years into one with a common base year is known as
 A) Splicing
 B) Base Shifting
 C) Deflating
 D) None of these
52. In ----- of Index Numbers, the quantities of various commodities actually produced, bought or sold in the base year are taken and their value at current prices is compared with their value at base price.
 A) Laspayer's Method
 B) Paasche's Method
 C) Fisher's Method
 D) Kelly's Method

63. Prime Minister's Employment Guarantee Programme (PMEGP) was introduced in the year
 A) 2010 B) 2008 C) 2006 D) 2004
64. Match the following Economists according to their year of winning Nobel Prize.
 i. Amartya Sen a. 2001
 ii. Robert C. Merton b. 1997
 iii. Paul Krugman c. 2008
 iv. George Akerlof d. 1998
 A) (i,a),(ii,d),(iii,c),(iv,b) B) (i,d),(ii,a),(iii,c),(iv,b)
 C) (i,b),(ii,a),(iii,c),(iv,d) D) (i,d),(ii,b),(iii,c),(iv,a)
65. The food grain production for the year 2011-12(as per Economic Survey 2012-13) is
 A) 239.18 million tones B) 264.35 million tones
 C) 259.32 million tones D) 269.52 million tones
66. The free trade area formed by Canada, Mexico and US
 A) NAFTA B) SAPTA
 C) SAFTA D) IAFTA
67. As per Tendulkar Committee Report, the percentage of the population below the poverty line in 2004-05 was
 A) 41.8% B) 25.7% C) 21.8% D) 37.2%
68. Which of the following programmes is related to the rehabilitation of destitute families and their integration with mainstream of the civil society?
 A) Abhaya B) Ashraya
 C) Asha D) Pratheeksha
69. As per the Kerala Economic Review 2012,the economic growth rate of Kerala in 2011-2012 is
 A) 9% B) 8.5% C) 9.5% D) 9.3%
70. ----- in the Agreement on Agriculture includes the amount spent on Government services such as research, disease control, and infrastructure and food security.
 A) Green Box Subsidies B) Blue Box Subsidies
 C) Amber Box Subsidies D) None of these
71. According to 2011 Census, which among the districts in Kerala has the highest sex ratio?
 A) Alappuzha B) Kottayam
 C) Palakkad D) Kannur

72. Raghuram C. Rajan Committee Recommendations is related to
 A) Centre State Financial Relations
 B) Higher Education
 C) Insurance Sector
 D) Financial Sector Reforms
73. Environmental Kuznets Curve shows
 A) How environmental quality changes with a country's Population Growth
 B) How environmental quality changes with a country's Per Capita Income
 C) How environmental quality changes with a country's Human Development
 D) None of the above
74. In Rostow's theory, the 'Drive to Maturity'
 A) Starts the development process
 B) Completes the development process
 C) Comes before take off
 D) Follows the take off
75. Trickle down strategy means
 A) Reduction in the income of the upper class by deliberate redistribution
 B) Higher economic growth taking care of poverty
 C) Direct achievement of better health and education before growth of GDP
 D) None of the above
76. ----- was the Economist who propounded the theory of Big Push
 A) Rosenstein Rodan B) Davis Romer
 C) J.M. Keynes D) Nelson
77. Which of the following is not correctly matched?
 A) Innovation theory - Schumpeter
 B) Unlimited Supply of Labour - Lewis
 C) Low Level Equilibrium Trap - Nurkse
 D) Social Dualism - Boeke
78. Among the direct methods to evaluate environmental benefits, which method is used to determine individual preferences among various outcomes?
 A) Delphi Method B) Contingent Valuation Method
 C) Trade Off Games Method D) Costless Choice Method
79. Which of the following agreement is related to protecting the Ozone layer by controlling the release of CFCs?
 A) Montreal protocol B) Kyoto Protocol
 C) Rotterdam Convention D) Basel Convention

80. Waste Disposal cost is
 A) The sum of pollution prevention cost and pollution cost.
 B) The sum of pollution prevention cost, welfare damage cost and pollution cost.
 C) The difference between pollution prevention cost and pollution cost.
 D) None of the above
81. The author of the book 'The Accumulation of Capital' is
 A) Solow
 B) Joan Robinson
 C) Schumpeter
 D) J.E. Meade
82. According to Marx, the formula for rate of profit is
 A) S/V
 B) $C+V+S$
 C) C/V
 D) $S/C+V$
83. The Harrod Domer Model states that growth rate of National Income will be directly related to savings ratio and inversely related to economy's
 A) Capital labour ratio
 B) Investment income ratio
 C) Capital output ratio
 D) None of these
84. Gini Coefficient was introduced by Corrado Gini during the year
 A) 1910
 B) 1912
 C) 1917
 D) 1915
85. The more the Lorenz curve moves away from the diagonal line, the greater the degree of ----- represented.
 A) Equality
 B) Progress
 C) Inequality
 D) None of these
86. Technical progress that increases the productivity of capital proportionately more than the productivity of labour and results in an increase in capital labour ratio at constant relative factor prices.
 A) Capital Saving technical progress
 B) Labour Saving technical progress
 C) Neutral technical progress
 D) None of the above
87. Dual Gap analysis includes
 i. Foreign exchange gap
 ii. Saving investment gap
 iii. Rural urban gap
 iv. Income consumption gap
 A) i & ii are correct
 B) ii & iv are correct
 C) ii & iii are correct
 D) ii alone is correct

88. Debt Rescheduling is
- A) A programme of austerity measures agreed with the IMF to make repayment possible.
 - B) A agreement with the World Bank to turn some debt into other forms.
 - C) Lengthening of the time of debt repayment and forgiving, or dismissing, part of the loan for a date.
 - D) Regular payments of interest and repayments of capital.
89. The foundation of all WTO and GATT agreements is the principle of
- A) Preferential treatment
 - B) Discrimination
 - C) Non discrimination
 - D) None of these
90. Economic integration with common market plus substantial harmonization of economic policies including possibly a common currency is
- A) Partial trade area
 - B) Free trade area
 - C) Customs union
 - D) Economic union
91. ----- considers levels of protection on intermediate inputs as well as the nominal tariff levied on the protected good
- A) Nominal rate of protection
 - B) Absolute rate of protection
 - C) Effective rate of protection
 - D) Comparative rate of protection
92. A numerical limit on the volume of imports is -----
- A) Tariff
 - B) Quotas
 - C) Duty
 - D) None of these
93. In ----- system, the monetary authority adjusts peg frequently at regular time intervals by small amounts instead of making large devaluations or revaluations when equilibrium exchange rate changes.
- A) Fixed exchange rate
 - B) Crawling Peg
 - C) Joint Float
 - D) Clean Float
94. If the elasticity of foreign demand for exports of the devaluing country is perfectly inelastic, devaluation will
- A) Improve BoP
 - B) Adversely affect BoP.
 - C) No effect on BoP
 - D) None of these
95. SDRs were created by IMF in
- A) 1973
 - B) 1972
 - C) 1969
 - D) 1981
96. ----- is calculated by multiplying the commodity terms of trade index by an index of productivity changes in domestic export industries.
- A) Single Factoral terms of trade
 - B) Double Factoral terms of trade
 - C) Net Barter terms of trade
 - D) Real Cost Terms of Trade

106. If the supply of the commodity is perfectly inelastic and the demand is relatively elastic, the burden of the tax will be -----
 A) Upon the buyer
 B) Upon the seller
 C) Equally divided between buyers and sellers
 D) In higher proportion upon the sellers than upon the buyers.
107. The modern theory of tax shifting was advanced by
 A) Mansfield and Canard
 B) Hobson and Stein
 C) Mrs. Ursula Hicks and Prof Cannon
 D) E.R.A. Seligman and F.Y. Edgeworth
108. Which of the following is not an element of redistribution-with-growth policy approach?
 A) Minimum wage legislation
 B) Land reform
 C) Progressive taxation
 D) Increased access to education
109. Penalties imposed by the courts for the failure of individuals to appear in courts to complete contracts as stipulated.
 A) Fees
 B) Escheats
 C) Fines
 D) None of these
110. Revenue which is derived by the State from eminent domain, penal power and taxing power.
 A) Gratuitous Revenue
 B) Contractual Revenue
 C) Compulsory Revenue
 D) None of these
111. The intrinsic value of money and its face value are equal in the case of
 A) Token money
 B) Fiat money
 C) Quasi money
 D) Full bodied money
112. Arrange in order, the chairman of different Finance Commissions
 i. Sixth Finance Commission a. Y.B. Chavan
 ii. Eighth Finance Commission b. A.M.Khusro
 iii. Eleventh Finance Commission c. K.Brahmananda Reddy
 iv. Fourteenth Finance Commission d. Y.Venugopal Reddy
 A) (i,a),(ii,b),(iii,c),(iv,d) B) (i,c),(ii,a),(iii,b),(iv,d)
 C) (i,b),(ii,a),(iii,d),(iv,c) D) (i,a),(ii,b),(iii,d),(iv,c)

