

**DO NOT OPEN THIS TEST BOOKLET UNTIL YOU ARE ASKED TO DO SO**

Subject Code :

1 1

Test Booklet No. : 02249

## TEST BOOKLET ECONOMICS

Time Allowed : 2 (Two) Hours

Full Marks : 200

### INSTRUCTIONS

1. The name of the Subject, Roll Number as mentioned in the Admission Certificate, Test Booklet No. and Subject Code shall be written legibly and correctly in the space provided on the Answer Sheet with black ball pen.
2. Space provided for Series in the Answer Sheet is not applicable for Optional Subject. So the space shall be left blank.
3. All questions carry equal marks. Your total marks will depend only on the number of correct responses marked by you in the Answer Sheet.
4. No candidate shall be admitted to the Examination Hall/Room 20 minutes after commencement of distribution of the paper. The Supervisor of the Examination Hall/Room will be the time-keeper and his/her decision in this regard is final.
5. No candidate shall leave the Examination Hall/Room without prior permission of the Supervisor/Invigilator. No candidate shall be permitted to hand over his/her Answer Sheet and leave the Examination Hall/Room before expiry of the full time allotted for each paper.
6. No Mobile Phone, Pager, etc., are allowed to be carried inside the Examination Hall/Room by the candidates. Any Mobile Phone, Pager, etc., found in possession of the candidate inside the Examination Hall/Room, even if on off mode, shall be liable for confiscation.
7. No candidate shall have in his/her possession inside the Examination Hall/Room any book, notebook or loose paper, except his/her Admission Certificate and other connected paper permitted by the Commission.
8. Complete silence must be observed in the Examination Hall/Room. No candidate shall copy from the paper of any other candidate, or permit his/her own paper to be copied, or give, or attempt to give, or obtain, or attempt to obtain irregular assistance of any kind.
9. After you have completed filling in all your responses on the Answer Sheet and the Examination has concluded, you should hand over to the Invigilator *only the Answer Sheet*. You are permitted to take away with you the Test Booklet.
10. Violation of any of the above Rules will render the candidate liable to expulsion from the Examination Hall/Room and disqualification from the Examination, and according to the nature and gravity of his/her offence, he/she may be debarred from future Examinations and Interviews conducted by the Commission for appointment to Government Service.
11. Smoking inside the Examination Hall/Room is strictly prohibited.
12. This Test Booklet contains one sheet (two pages) for Rough Work at the end.

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[ No. of Questions : 100 ]

SEAL

1. The wealth based definition of Economics was put forward by
  - (A) Lionel Robbins
  - (B) Alfred Marshall
  - (C) Adam Smith
  - (D) David Ricardo
2. Total utility becomes maximum, when
  - (A) marginal utility is zero
  - (B) marginal utility is negative
  - (C) marginal utility equals one
  - (D) marginal utility is more than one
3. The decrease in the quantity demanded due to a rise in price is called
  - (A) contraction of demand
  - (B) extension of demand
  - (C) shift of demand
  - (D) multiplication of demand
4. When demand of a commodity depends on the demand of some other commodities, it is called
  - (A) joint demand
  - (B) derived demand
  - (C) autonomous demand
  - (D) exclusive demand
5. The zero price elasticity of demand ( $e_p = 0$ ) is also called as
  - (A) perfectly inelastic demand
  - (B) perfectly elastic demand
  - (C) unitary elasticity of demand
  - (D) point elasticity of demand
6. Price effect is a combination of
  - (A) income effect and consumption effect
  - (B) consumption effect and substitution effect
  - (C) income effect and substitution effect
  - (D) income effect and investment effect
7. Which of the following statements is correct?
  - (A) Income effect of inferior good is negative.
  - (B) Income effect of inferior good is positive.
  - (C) Income effect of inferior good is neutral.
  - (D) There is no significant correlation between income and the quantity demanded of a inferior good.
8. Engel curve shows the relationship between
  - (A) two goods, say X and Y
  - (B) level of income and quantity purchased
  - (C) level of income and consumption
  - (D) level of income and the relative prices of the commodities

9. Hicksian substitution effect is associated with
- compensating variation in consumption
  - compensating variation in profit
  - compensating variation in relative price rise of the commodities
  - compensating variation in income
10. Which of the following theories of business cycle was put forward by Hicks?
- The innovation theory
  - The monetary theory
  - The overinvestment theory
  - The multiplier accelerator theory
11. What does the term production in Economics refer to?
- Creation of an object
  - Creation of utility
  - Innovation of an object
  - Creation of space
12. Who among the following put forward the innovation theory of profit?
- M. S. Douglas
  - A. C. Pigou
  - J. S. Mill
  - Joseph Schumpeter
13. "Money is what money does." Who said this?
- Crowther
  - Robertson
  - Walker
  - Paul Euizig
14. 'Phillips curve' shows the relationship between
- rate of inflation and rate of employment
  - rate of wage increase and rate of unemployment
  - rate of wage decrease and rate of unemployment
  - rate of wage increase and rate of public investment
15. "Bad money drives good money out of circulation" is known as
- Gossen's law
  - Gresham's law
  - law of money circulation
  - pure theory of money
16. Money burden of a tax refers to
- reduction in consumption
  - reduction in expenditure
  - reduction in disposable income
  - reduction in personal assets

17. Which of the following agencies estimates national income of India?

- (A) Reserve Bank of India
- (B) NITI Aayog
- (C) Ministry of Finance
- (D) Central Statistical Organization

18. The lowering of official exchange rate between one country's currency and those of the rest of the world is known as

- (A) devaluation
- (B) depreciation
- (C) appreciation
- (D) overvaluation

19. What we derive at, when income from abroad is added to the Gross Domestic Product (GDP) of an economy?

- (A) GNP
- (B) GDP at market price
- (C) NNP
- (D) NNP at factor cost

20. In which of the following Five-Year Plans of India, was the slogan of 'Garibi Hatao' (Removal of poverty) coined?

- (A) First Plan
- (B) Third Plan
- (C) Fourth Plan
- (D) Seventh Plan

21. Under the 'Lead Bank Scheme', a bank was expected to adopt a

- (A) State
- (B) District
- (C) Division
- (D) Block

22. Inclusion of intermediate products in the national income estimation leads to

- (A) correct and the most accurate estimation of national product
- (B) underestimation of national product
- (C) overestimation of national product
- (D) Cannot be said accurately

23. Public expenditure includes

- (A) transfer payments
- (B) subsidy offered by the government
- (C) capital expenditure made by the nationalised industries
- (D) All of the above

24. Which of the following is an example of economic activity?

- (A) Mother taking care of her child
- (B) A working wife taking care of her husband
- (C) Husband taking care of his wife
- (D) Servant taking care of his master

