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

Test Booklet No. :

Series

09085   **TEST BOOKLET**

ECONOMICS

A

Time Allowed : 2 Hours   **Full Marks : 100**

Read the following instructions carefully before you begin to answer the questions :

1. The name of the Subject, Roll Number as mentioned in the Admission Certificate, Test Booklet No. and Series are to be written legibly and correctly in the space provided on the Answer-Sheet with Black/Blue ballpoint pen.

2. **Answer-Sheet without marking Series as mentioned above in the space provided for in the Answer-Sheet shall not be evaluated.**

3. All questions carry equal marks.
   The Answer-Sheet should be submitted to the Invigilator.
   Directions for giving the answers : Directions for answering questions have already been issued to the respective candidates in the 'Instructions for marking in the OMR Answer-Sheet' along with the Admit Card and Specimen Copy of the OMR Answer-Sheet.

   Example :

   Suppose the following question is asked :
   The capital of Bangladesh is
   (A) Chennai
   (B) London
   (C) Dhaka
   (D) Dhubri
   You will have four alternatives in the Answer-Sheet for your response corresponding to each question of the Test Booklet as below :

   (A) (B) (C) (D)

   In the above illustration, if your chosen response is alternative (C), i.e., Dhaka, then the same should be marked on the Answer-Sheet by blackening the relevant circle with a Black/Blue ballpoint pen only as below :

   (A) (B) ● (D)

   The example shown above is the only correct method of answering.

4. Use of eraser, blade, chemical whitener fluid to rectify any response is prohibited.

5. Please ensure that the Test Booklet has the required number of pages (20) and 100 questions immediately after opening the Booklet. In case of any discrepancy, please report the same to the Invigilator.

6. No candidate shall be admitted to the Examination Hall/Room 20 minutes after the commencement of the examination.

7. 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.

8. No Mobile Phone, Electronic Communication Device, etc., are allowed to be carried inside the Examination Hall/Room by the candidates. Any Mobile Phone, Electronic Communication Device, etc., found in possession of the candidate inside the Examination Hall/Room, even if on off mode, shall be liable for confiscation.

9. 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 papers permitted by the Commission.

10. 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.

11. This Test Booklet can be carried with you after answering the questions in the prescribed Answer-Sheet.

12. Noncompliance with any of the above instructions will render a candidate liable to penalty as may be deemed fit.

13. No rough work is to be done on the OMR Answer-Sheet. You can do the rough work on the space provided in the Test Booklet.

N.B. : There will be negative marking @ 0·25 per 1 (one) mark against each wrong answer.

/30-A   **[No. of Questions : 100]**

SEAL

1. What is the primary focus of Economics as a branch of study?

   (A) Analysing consumer behaviour and preferences

   (B) Studying money and financial markets

   (C) Exploring government policies and regulations

   (D) Analysing the allocation of scarce resources to fulfil unlimited human wants

2. Which of the following countries is **not** a member of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Co-operation (BIMSTEC)?

   (A) Sri Lanka

   (B) Myanmar

   (C) Maldives

   (D) Thailand

3. The 'crowding-out' effect refers to

   (A) an increase in government spending leading to increased private investment

   (B) an increase in government spending due to increased private spending

   (C) an increase in government spending leading to decreased private investment

   (D) None of the above

4. When a central bank increases the interest rate, it is likely to implement which type of monetary policy?

   (A) Contractionary

   (B) Expansionary

   (C) Neutral

   (D) Dovish

5. The marginal rate of substitution between two perfect substitutes

   (A) decreases

   (B) increases

   (C) remains constant

   (D) All of the above

6. An autonomous increase in government expenditure should result in an increase in a country's real GDP if and only if

   (A) the country's balance of trade is negative

   (B) the country's economy is working under conditions of less than full employment

   (C) the multiplier is at least 2

   (D) the private expenditure also increases along with government expenditure

7. The 'Atal Amrit Abhiyan Scheme' of the Government of Assam providing cashless treatment and coverage of critical care targets

(A) rural household of Assam

(B) senior citizens of Assam

(C) below poverty line population and low-income households

(D) urban poors of Assam

8. In game theory, what does the 'Nash equilibrium' represent?

(A) One player dominates the other

(B) Both players have same strategy

(C) Both players have optimal strategies given the other player's choices

(D) No player has optimal strategy

9. If the income elasticity of demand for a good is greater than one, the good is considered to be

(A) a normal good

(B) a necessary good

(C) an inferior good

(D) a luxury good

10. The Durbin-Watson statistic is used for testing

(A) autocorrelation

(B) heteroscedasticity

(C) multicollinearity

(D) endogeneity of the dependent variable

11. Inventory is a _____ concept whereas the change in inventory is a _____ concept.

(A) flow, stock

(B) stock, stock

(C) flow, flow

(D) stock, flow

12. Identify the cash crop produced in Assam from the following.

(A) Rice

(B) Jute

(C) Wheat

(D) Potato

13. The 'balance of trade' of a country refers to the difference between

    (A) exports and imports of goods and services

    (B) exports and imports of financial assets

    (C) current account surplus and deficit

    (D) capital and current account

14. According to Assam Budget 2023–2024, the Gross State Domestic Product (GSDP) at current prices is projected to grow over the year 2022–2023 at a rate of

    (A) 9%

    (B) 10%

    (C) 12%

    (D) 15%

15. The 'Make in India' initiative aims to boost employment by focusing on

    (A) attracting foreign tourists

    (B) promoting agriculture

    (C) encouraging manufacturing and industrial growth

    (D) expanding IT sector

16. 'Seigniorage' refers to

    (A) profit earned by a government by issuing currency

    (B) revenue generated from government bonds

    (C) profit earned by commercial banks by lending

    (D) cost of holding money in circulation

17. A fall in the price of one complementary good is likely to

    (A) reduce the demand for the other complement

    (B) increase the demand for the other complement

    (C) put no effect on the demand for the other complement

    (D) increase the demand for substitute good

18. If a dataset has a highly skewed distribution, which measure of central tendency is considered to be the most appropriate to use?

    (A) Mean

    (B) Median

    (C) Mode

    (D) Variance

19. The slope of an isoquant is a measure of the

(A) marginal cost of production

(B) marginal rate of technical substitution

(C) marginal revenue

(D) marginal rate of substitution between outputs

20. Which among the following situations will be profitable for a borrower?

(A) The nominal rate of interest is 15% and inflation is 10%

(B) The nominal rate of interest and inflation rate are same

(C) The nominal rate of interest is 10% and inflation is 15%

(D) The nominal rate of interest is 10% and inflation is 5%

21. Dumping means

(A) tariff reduction

(B) increasing tariff

(C) sale of good at lower prices locally and at higher prices abroad

(D) sale of good at higher prices locally and at lower prices abroad

22. Which of the following statements about Gini coefficient is correct?

(A) Gini coefficient is calculated using Lorenz curve.

(B) Gini coefficient can vary between 0 (perfect equality) to 1 (perfect inequality).

(C) Gini coefficient is a measure of inequality.

(D) All of the above

23. According to Coase theorem, externalities can be removed

(A) by voluntary negotiations between parties

(B) by imposing new taxes

(C) by internalising externalities

(D) by providing subsidies

24. If nominal GDP for the current year is ₹ 1,500 crore and real GDP is ₹ 1,300 crore, what is the value of GDP deflator?

(A) 86·7

(B) 110

(C) 115

(D) 120

25. The principal regulator of capital market in India is

(A) RBI

(B) SBI

(C) Government of India

(D) SEBI

26. In the sampling without replacement, a sample unit can be selected

(A) only once

(B) more than once

(C) less than once

(D) None of the above

27. In the consumption function $C = 50 + 0 \cdot 8Y$, the value of investment multiplier will be

(A) 2

(B) 10

(C) 0·5

(D) 5

28. The formula to calculate the degree of monopoly power is

(A) $\dfrac{P - MC}{MC}$

(B) $\dfrac{MC - P}{MC}$

(C) $\dfrac{P - MC}{P}$

(D) $\dfrac{MC - P}{P}$

29. Which of the following is considered as savings of the private corporate sector?

(A) Total profits

(B) Undistributed profits

(C) Dividends paid to shareholders

(D) Interest received

30. Which of the following rate structures of taxation imposes a greater burden on the poor?

(A) Proportional tax

(B) Progressive tax

(C) Regressive tax

(D) Lump sum tax

31. What does an Engel curve represent?

   (A) Relationship between price and income

   (B) Relationship between price and demand

   (C) Relationship between income and utility

   (D) Relationship between income and demand

32. Devaluation of a country's currency leads to

   (A) expensive imports and cheap exports

   (B) expensive exports and cheap imports

   (C) Both imports and exports will be cheaper

   (D) Both imports and exports will be expensive

33. The term 'liquidity trap' refers to a situation where

   (A) interest rates are very high

   (B) interest rates are very low

   (C) money supply is high

   (D) money supply is low

34. As per 2011 Census, which district has shown the maximum density of population in Assam?

   (A) Kamrup Metropolitan

   (B) Dhubri

   (C) Morigaon

   (D) Karimganj

35. Which among the following is a characteristic of a free good?

   (A) Opportunity cost is zero

   (B) Opportunity cost is maximum

   (C) Opportunity cost is minimum

   (D) It has rivalry and excludability

36. Which of the following must be true when marginal is negative?

   (A) Average is positive

   (B) Average is negative

   (C) Total is decreasing

   (D) Total is negative

37. Standard deviation of the sampling distribution of a statistic is called

(A) standard error

(B) sample standard deviation

(C) covariance

(D) sample error

38. Investment demand depends on

(A) rate of interest

(B) marginal efficiency of capital

(C) Both (A) and (B)

(D) None of the above

39. The estimated tree cover in Assam is

(A) 3·4% of her geographical area

(B) 1·99% of her geographical area

(C) 2·67% of her geographical area

(D) 4·33% of her geographical area

40. What is the income elasticity of demand for inferior goods?

(A) 1

(B) Greater than 1

(C) 0

(D) Less than 0

41. In India, which government agency is responsible for collecting and publishing unemployment data?

(A) Reserve Bank of India

(B) Planning Commission of India

(C) National Sample Survey Office

(D) Ministry of Finance

42. A lower capital-output ratio indicates that

(A) capital is being utilised efficiently

(B) capital is being underutilised

(C) labour is being underutilised

(D) the economy is experiencing inflation

43. Negative externalities can be addressed by

(A) reducing taxes

(B) providing subsidies

(C) imposing taxes

(D) encouraging production

44. In India, small-scale industries are defined based on

(A) sales by the unit

(B) investment

(C) market coverage

(D) volume of exports

45. The way total output changes due to change in all inputs in same proportion is known as the law of

(A) diminishing return

(B) returns to a factor

(C) returns to scale

(D) increasing return

46. Primary deficit is defined as the difference between

(A) fiscal deficit and interest payment

(B) capital receipt and interest payment

(C) total expenditure and revenue

(D) revenue receipt and revenue expenditure

47. Consider the following liquid assets :

I.   Demand deposits with the banks

II. Time deposits with the banks

III. Savings deposits with the banks

IV. Currency

The correct sequence of these assets in decreasing order of liquidity is

(A) IV, II, III, I

(B) II, III, I, IV

(C) I, III, II, IV

(D) III, II, I, IV

48. The price at which the government purchases food grains for maintaining the Public Distribution System is known as

(A) minimum support price

(B) issue price

(C) PDS price

(D) procurement price

49. Muli, Dalu, Khang, Kaligoda and Pecha are the names of which species found in Assam?

(A) Bamboo

(B) Pulses

(C) Citrus fruits

(D) Pineapples

50. High-powered money is

(A) commercial bank's deposit with the central bank

(B) all loans and advances of banks

(C) currency held by the public and reserves with the central bank

(D) total bank deposits

51. An expenditure that has been made and **cannot** be recovered is called

(A) variable cost

(B) sunk cost

(C) opportunity cost

(D) long-run cost

52. Consider the following statements about Net National Product (NNP) :

I. NNP is the purest form of income of a nation.

II. By dividing NNP by total population, we get per capita income.

Based on the above statements, select the correct option.

(A) I only

(B) Both I and II

(C) II only

(D) None of the above

53. Match List—I with List—II and select the correct answer using the codes given below the Lists :

List—I	List—II
a. Offer curve	1. Public revenue
b. Laffer curve	2. Sticky price
c. Lorenz curve	3. Reciprocal demand
d. Kinked demand curve	4. Inequalities

Codes :

	a	b	c	d
(A)	3	1	4	2
(B)	1	3	4	2
(C)	4	3	2	1
(D)	3	1	2	4

54. Which of the following States is the largest producer of bamboo in India?

(A) Jharkhand

(B) Assam

(C) Mizoram

(D) Uttarakhand

55. The 'Tragedy of the Commons' refers to

(A) free rider problem

(B) excessive taxation of common resources

(C) depletion of common resources due to individual self-interest

(D) inefficient resource allocation

56. 'Stagflation' means

(A) high inflation and high economic growth

(B) high inflation and low unemployment

(C) low inflation and high economic growth

(D) high inflation and high unemployment

57. The LM curve shows equilibrium of which of the following markets?

(A) Money market

(B) Goods market

(C) Factor market

(D) Monopoly market

58. The relationship between AR, MR and elasticity of demand (e) is given by

(A) $e = \dfrac{MR}{AR - MR}$

(B) $e = \dfrac{AR - MR}{AR}$

(C) $e = \dfrac{MR - AR}{MR}$

(D) $e = \dfrac{AR}{AR - MR}$

59. Which of the following is correct?

(A) If national income rises, per capita income also rises

(B) If population increases, per capita income falls

(C) If national income rises, welfare and standard of living of the people also rise

(D) None of the above

60. Which of the following regions is known as a rain shadow zone in Assam?

(A) Nagaon district in Central Assam and adjoining parts of Karbi-Anglong

(B) Sonitpur district

(C) Hailakandi district

(D) Biswanath district

61. Suppose price of a product increases from ₹ 4 to ₹ 5 and the quantity demanded falls from 50 to 40. What is price elasticity of demand?

(A) 0·8

(B) – 0·8

(C) 1·2

(D) –1·2

62. 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

63. Which city hosted the first Youth 20 (Y20) Inception Meeting 2023 under G20?

(A) Kolkata

(B) Guwahati

(C) Shillong

(D) Kohima

64. In the simple Keynesian model, consumption is a function of

(A) rate of interest

(B) price level

(C) investment

(D) level of income

65. Which is **not** added in the calculation of national income in India?

(A) The value of goods and services

(B) Winning of a lottery

(C) Services rendered by housewives

(D) Both (B) and (C)

66. If goods X and Y are substitutes, then which of the following could be the value of the cross-price elasticity of demand for good Y?

(A) −1

(B) −2

(C) Neither (A) nor (B)

(D) Both (A) and (B)

67. The rate at which RBI lends money to the commercial banks is called

(A) cash reserve ratio

(B) rate of interest

(C) repo rate

(D) reverse repo rate

68. Which of the following statements about professional tax is correct?

(A) It is a direct tax.

(B) It is levied by the State government.

(C) None of (A) or (B)

(D) Both (A) and (B)

69. The purchasing power parity theory is related to

(A) exchange rate

(B) wage rate

(C) bank rate

(D) interest rate

70. Which of the following is *not* an anti-inflationary fiscal remedy?

(A) Reduction of effective demand

(B) Surplus budget

(C) Reduction of tax rates

(D) Reduction of government expenditure

71. Which one of the following receipts of public authority is *not* a capital receipt?

(A) Borrowings

(B) Interest receipts

(C) Recovery of loans

(D) Both (A) and (C)

72. A singular matrix is one which

(A) has no inverse

(B) is an identity matrix

(C) has only one element

(D) None of the above

73. Consider the following statements about determinant :

I.   The value of a determinant does not change if the rows and columns are interchanged.

II. If two rows (or columns) of a determinant are identical, the value of the determinant will be zero.

Choose the correct answer.

(A) Only statement I is correct

(B) Only statement II is correct

(C) None of the statements is correct

(D) Both statements are correct

74. 'Hedging' means

(A) simultaneous buying and selling of foreign currency in two markets

(B) taking of a foreign exchange risk or an open position in the hope of making profit

(C) an agreement to buy or sell the required foreign exchange at today's agreed rate

(D) None of the above

75. The short-run shutdown point of a perfectly competitive firm is determined when

(A) Price = AVC

(B) Price < AVC

(C) Price > AVC

(D) Price = AC

76. Choose the wrong statement about tariff.

(A) A tariff reduces the demand for imported goods by reducing imports.

(B) The imposition of a tariff improves the terms of trade of the imposing country.

(C) The positive effect of a tariff is that it increases the volume of trade.

(D) Imposition of a tariff protects the domestic industry from foreign competition.

77. Quasi-rent equals

(A) total revenue earned − total variable cost

(B) marginal revenue − marginal cost

(C) total revenue earned − total cost

(D) total revenue earned − average cost

78. Utility possibility curve represents

(A) locus of Pareto optimum points

(B) locus of the various combinations of utilities obtained by two persons from the consumption of a bundle of goods.

(C) locus of various combinations of utilities obtained by a person from the consumption of various bundles of goods.

(D) None of the above

79. The slope of the short-run Phillips curve is

(A) upward

(B) horizontal

(C) vertical

(D) downward

80. The empirical relationship between mean, median and mode is given by

(A) mean – mode = 3(mean – median)

(B) mean – median = 3(mean – mode)

(C) mean – mode = $\frac{1}{3}$ (mean – median)

(D) mean – median = $\frac{1}{3}$ (mean – mode)

81. As per the Human Development Report 2021–2022, what is the HDI rank of India?

(A) 131

(B) 132

(C) 150

(D) 151

82. Fisher's quantity theory of money is explained by the equation

(A) MP = PT

(B) MP = VT

(C) MV = PT

(D) PM = MT

83. Which of the following is *not* an essential condition for perfect competition?

(A) Homogeneous product

(B) Many sellers

(C) Freedom of entry and exit

(D) None of the above

84. In India, monetary policy is formulated by

(A) Planning Commission

(B) RBI

(C) Ministry of Finance

(D) SEBI

85. Transfer of consumer surplus to monopolist is called

(A) consumer exploitation

(B) consumer welfare

(C) consumer profit

(D) None of the above

86. Choose the wrong statement about 'inflationary gap'.

(A) Inflationary gap causes the price to rise.

(B) Inflationary gap occurs when aggregate demand exceeds aggregate supply at full employment level of output.

(C) Inflationary gap can be interpreted as excess of investment over desired saving.

(D) None of the above

87. Which of the following is *not* a feature of budget line?

(A) On the budget line, total expenditure of the consumer is equal to the total income

(B) The budget line is also known as a trade-off curve

(C) The slope of the budget line is equal to marginal rate of substitution

(D) When income of the consumer changes, the budget line shifts parallelly

88. What is the relationship between Marginal Revenue Product (MRP) and Value of Marginal Product (VMP) under imperfect competition in the product market?

(A) MRP = VMP

(B) MRP < VMP

(C) MRP > VMP

(D) They are not related

89. There will be no shifting of tax if

(A) supply of a commodity is perfectly inelastic

(B) supply of a commodity is perfectly elastic

(C) demand of a commodity is perfectly inelastic

(D) demand of a commodity is perfectly elastic

90. Law of diminishing returns to factors is relevant to

(A) long period

(B) short period

(C) Both (A) and (B)

(D) None of the above

91. Pareto optimality is decided within

(A) Edgeworth box

(B) Marshall box

(C) production possibility curve

(D) Pareto box

92. PM Mitra Park is related to which of the following?

(A) Skill development

(B) Tourism

(C) Solar energy

(D) Textiles

93. Priority sector lending in India constitutes lending to

(A) micro and small enterprises

(B) agriculture

(C) weaker sections

(D) All of the above

94. The Gross Barter Terms of Trade (GBTT) is the ratio of

(A) export prices to import prices

(B) value of export to import

(C) quantity of import to export

(D) value of export to import prices

95. Which of the following statements is *not* true about fiat money?

(A) Fiat money is a type of convertible paper money.

(B) Its intrinsic value is less than its face value.

(C) Fiat money is also known as token money.

(D) Both (A) and (B)

96. A uniform die is thrown at random. What is the probability that the number on it is greater than 4?

(A) $\dfrac{1}{6}$

(B) $\dfrac{1}{3}$

(C) $\dfrac{1}{2}$

(D) $\dfrac{2}{3}$

97. Consider the following statements :

I. Frequency polygons of different distributions can be drawn on the same single graph.

II. Frequency polygon cannot be constructed for frequency distributions with open-end classes.

Choose the correct option.

(A) Only I is correct

(B) Only II is correct

(C) None of the statements is correct

(D) Both I and II are correct

98. Which one of the following is **not** a feature of the Keynesian theory of employment?

(A) Government intervention in the economy has no role to play

(B) It deals with all levels of employment including full employment and unemployment

(C) It is a short-run theory

(D) Volume of employment depends upon effective demand

99. Profitability of price discrimination by a monopolist depends on

(A) nature of the commodity

(B) geographical distance between the two markets

(C) difference in elasticity of demand between the two markets

(D) preferences of buyers

100. The upper portion of the kinked demand curve is relatively

(A) more elastic

(B) more inelastic

(C) less elastic

(D) less inelastic

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