

1. Match List I with List II based on the horizontal devolution criteria in the 15<sup>th</sup> Finance Commission:
- | List I                     | List II   |
|----------------------------|-----------|
| a. Population              | 1. 12.5 % |
| b. Demographic performance | 2. 15 %   |
| c. Forest and ecology      | 3. 2.5 %  |
| d. Tax and fiscal efforts  | 4. 10 %   |
- A) a-3, b-4, c-1, d-2      B) a-2, b-1, c-4, d-3  
 C) a-4, b-1, c-3, d-2      D) a-4, b-3, c-2, d-1
2. A situation where the demand for a certain good by individuals of a higher income level is inversely related to its demand by those of a lower income level describes:
- A) Snob effect      B) Bandwagon effect  
 C) Veblen effect      D) Real Balance effect
3. Assertion (A): Isoquant curves of Cobb Douglas production function are convex to the origin  
 Reason (R) : Unit elasticity of factor substitution in Cobb Douglas production function lies in between infinite substitution elasticity in case of perfect substitute factors and zero substitution elasticity between two perfect complementary factors
- A) (A) is correct, but (R) is incorrect  
 B) (A) is incorrect, but (R) is correct  
 C) Both (A) and (R) are correct and (R) is the correct explanation of (A)  
 D) Both (A) and (R) are correct but (R) is not the correct explanation of (A)
4. Friedman's theory of demand for money summarises the following **except**:
- A) Friedman considers three rates of interest, namely,  $r_m$ ,  $r_b$  and  $r_e$  which determine the demand for money.  
 B) Money kept in the form of currency and demand deposits does not earn any interest  
 C) The higher the own rate of interest, the greater the demand for money  
 D) As rates of return on bond ( $r_b$ ) and equities ( $r_e$ ) fall, the opportunity cost of holding money will increase which will reduce the demand for money holdings.
5. Choose the incorrect RBI Rate (as on 30 Aug 2023) from the following:
- A) Repo rate – 6.5 %      B) Reverse repo rate – 4.35%  
 C) Bank rate – 5.15 %      D) Marginal standing facility rate – 6.75%

6. Which among the following conditions do not increase the money multiplier in an economy?
1. Increase in the banking habit of the people
  2. Increase in the population of the country
  3. Increase in the Cash Reserve Ratio in the banks.
  4. Increase in the Statutory Liquidity Ratio in the banks
- A) 1 only      B) 1 & 2 only      C) 2, 3 & 4 only      D) 1, 2, 3 & 4
7. India ranked at----position, having a score of----- in the Human Development Report (HDR – 2022)
- A) 132<sup>nd</sup> and 0.613      B) 130<sup>th</sup> and 0.633  
 C) 132<sup>nd</sup> and 0.633      D) 131<sup>st</sup> and 0.623
8. Identify the correct statements according to H theory of money supply:
1. Higher the supply of high powered money, the higher the money supply
  2. Lower the currency ratio and the reserve ratio, the higher the money supply
  3. Higher the excess reserve ratio, the higher the money supply
- A) 1 & 2 only      B) 1 & 3 only      C) 2 & 3 only      D) 1, 2 & 3 only
9. Properties of binomial distribution include:
1. Binomial distribution is applicable when the trials are independent and each trial has just two outcomes success and failure.
  2. Binomial distribution is known as bi-parametric distribution
  3. The mean of the binomial distribution is given by  $\mu = np$
  4. The variance of the binomial distribution is given by  $\sigma^2 = npq$
- A) 1, 3 & 4 only      B) 2 & 4 only  
 C) 1, 2 & 3 only      D) 1, 2, 3 & 4
10. Power of a hypothesis test means the probability of:
- A) Committing a type I error
  - B) Not committing a type I error
  - C) Committing a type II error
  - D) Not committing a type II error
11. In balanced budget multiplier:
- A) Tax multiplier is equal to government expenditure multiplier
  - B) Tax multiplier is greater than government expenditure multiplier
  - C) Tax multiplier is smaller than to government expenditure multiplier
  - D) None of the above

12. Identify the correct statement/s related to natural rate of employment:
1. The natural rate of unemployment is a concept that was developed by the economists Milton Friedman and Edmund Phelps in the late 1960s
  2. Natural rate of unemployment is the rate at which in the labour market the current number of unemployed is greater than the number of jobs available
- A) 1 only      B) 2 only      C) Both 1 & 2      D) Neither 1 nor 2
13. According to Kalecki's assumption of Non – Vertically Integrated Industry:
- A) Labor costs are only of the directly productive labor workers minus the overheads.
  - B) Output rises for both the labor and the raw materials such that  $MC=AC$ .
  - C) The degree of monopoly is equal to  $(P-MC)/P$
  - D) All the above
14. Identify the correct statement/s related to the Theory of Second-Best:
1. Richard Lispey and Kelvin Lancaster were best known for their joint work of Second-Best Theory, which was published in 1956
  2. Whenever there is market failure, the Second-Best Theory says it is always possible to design a government policy that would increase economic welfare
- A) 1 only      B) 2 only      C) Both 1 & 2      D) Neither 1 nor 2
15. The Commercial Banks in India are governed by:
- A) Indian Companies Act, 1956
  - B) Indian Banking Regulation Act, 1949
  - C) Reserve Bank of India Act, 1934
  - D) Securities and Exchange Board of India Act, 1993
16. Revenue deficit and fiscal deficit as a percent of GSDP in Kerala during 2021-22 have been estimated to be -----and ----respectively.
- A) 2.29 and 4.11      B) 4.11 and 4.57
  - C) 3.39 and 4.11      D) 2.29 and 4.57
17. Identify the correct statements related to Endogenous growth theory:
1. Endogenous growth theory proposes that economic growth occurs due to internal factors like human capital, innovation, and knowledge
  2. Solow developed endogenous growth theory using the same basic framework as neo-classical theory.
  3. Based on the endogenous theory, growth models were formulated by the Arrow, Uzawa-Lucas and Romer
- A) 1 & 2 only      B) 1 & 3 only      C) 2 & 3 only      D) 1, 2 & 3

18. Industrial Policy 1991 exhibits which among the following features:
1. Industrial de-licensing
  2. Deregulation of the industrial sector
  3. Public sector policy (de-reservation and reform of PSEs)
  4. Establishment of MRTP Act
- A) 1, 2 & 3 only    B) 1, 3 & 4 only    C) 2 & 4 only    D) 1, 2, 3 & 4
19. In India, 100 % FDI cap is permitted in:
- A) Petroleum and natural gas
  - B) Industrial Parks
  - C) Satellites- establishment and operation
  - D) All the above
20. Identify the assumptions of Heckscher-Ohlin model:
1. Countries have similar production technology
  2. The two countries have different relative factor endowments
  3. Factor intensities may vary. Similar to the above, goods are classified as capital-intensive, labor-intensive, or land-intensive based on relative factor intensities.
  4. There is free entry and free exit of firms in the market in response to profit
  5. There are different rates of tariffs to impose trade restrictions between the two countries
- A) 1, 2, 3 & 4 only                      B) 3, 4 & 5 only  
 C) 1, 2, 3 & 5 only                      D) 1, 2, 4 & 5 only
21. Which among the following is **not** a fact/feature of phase 1 of the Fei–Ranis model?
- A) The marginal productivity of labour is zero.
  - B) This phase is similar to the Lewis model
  - C) The elasticity of the agricultural labor work-force is infinite and as a result, suffers from disguised unemployment.
  - D) Agricultural surplus may exist as the increasing average product (AP), higher than the marginal product (MP) and not equal to the subsistence level of wages
22. If growth rate of population is equal to the growth rate of capital, there will be full employment of both labour and capital in the economy. Mrs. Joan Robinson call this
- A) Golden age
  - B) State state
  - C) Condition of full employment
  - D) Industrialization point
23. An event in the economy that persists even after the factors that led to that event have been removed or otherwise run their course is
- A) Misery index                      B) Barro-Ricardian equivalence
  - C) Seigniorage                      D) Hysteresis

24. Choose the **incorrect** statement/s related to Okun's Law:
1. Okun's law was postulated by Arthur Okun in the early 1960s.
  2. Okun's law looks at the statistical relationship between a country's unemployment and economic growth rates.
  3. Okun's law says that a country's gross domestic product (GDP) must grow at about 1% rate for one year to achieve a 4% reduction in the rate of unemployment.
- A) 2 only                                      B) 3 only  
C) 1 & 3 only                                  D) 2 & 3 only
25. Identify the correct statements related to the Travel-Cost Method:
1. It is widely used to value the recreational benefits of public parks and other natural areas.
  2. It is a widely used direct market approach that relies on information on time and travel costs to derive a demand curve for a recreational site.
  3. It uses information on travel costs to generate a final demand curve for a recreation outlet
  4. It seeks to determine the demand for a recreational site as a function of variables
- A) 1, 2 & 3 only                              B) 1, 3 & 4 only  
C) 2, 3 & 4 only                              D) 1, 2 & 4 only
26. The 27<sup>th</sup> session of the Conference of the Parties to the UNFCCC (COP27) was held in:
- A) France                                      B) Egypt  
C) South Africa                              D) Sweden
27. Identify the name(s) associated with New Classical Macroeconomics:
- A) Neil Wallace                              B) Robert Lucas  
C) Thomas Sargent                        D) All the above
28. According to Keynes:
- A) The negative sloping liquidity preference curve becomes perfectly elastic at a low rate of interest.  
B) There is a floor interest rate below which the rate of interest cannot fall  
C) The minimum rate of interest indicates absolute liquidity preference of the people  
D) All the above

29. The revealed preference approach is superior to the Hicksian ordinal utility approach to consumer behaviour because:
1. It provides psychological introspective information about the behaviour of the consumer
  2. It is based on the assumption that the consumer always behaves rationally to maximise his satisfaction from a given income
  3. It permits the consumer to shift to a higher price-income situation in case of rise in the price of X and vice versa
  4. It provides the basis for welfare economics in terms of observable behaviour based on consistent choice
- A) 1, 2 & 3 only                      B) 2 & 4 only  
 C) 3 & 4 only                            D) 2, 3 & 4 only
30. Properties of the indirect utility function includes:
- A) Indirect utility function is degree-zero homogeneous function
  - B) It is assumed that all income is spent and the function adheres to the law of demand
  - C) Indirect utility function is also quasi-convex in price
  - D) All the above
31. Properties of CES Production Function include the following **except**:
- A) The value of elasticity of substitution depends upon the value of substitution parameter.
  - B) The marginal products of labour and capital are always positive if we assume constant returns to scale.
  - C) The marginal product curves are inverse U shaped
  - D) When the elasticity substitution is less than unity the function does reach a finite maximum as one factor increases while other is held constant
32. A statistical measure in a regression model that determines the proportion of variance in the dependent variable that can be explained by the independent variable is:
- A) Variance
  - B) Coefficient of variation
  - C) Coefficient of determination
  - D) Multiple regression analysis
33. ----can be defined as the order of the largest non-zero minor.
- A) Cofactor    B) Determinant    C) Rank            D) Inverse
34. In a bilateral monopoly equilibrium, *ME curve* represents:
- A) Marginal cost of equipment for the monopsonist-buyer
  - B) Marginal-outlay curve to the total-supply curve MC with which the buyer is faced
  - C) Both A and B
  - D) Neither A nor B

35. Derivative of  $x^2(x+3)$  can be calculated using----- rule of differentiation.  
 A) Power      B) Product      C) Quotient      D) Chain
36. Match List I with List II based on the year of establishment of the organisations
- |          |         |
|----------|---------|
| List I   | List II |
| a. IMF   | 1. 1993 |
| b. SAPTA | 2. 1945 |
| c. IBRD  | 3. 1994 |
| d. NAFTA | 4. 1944 |
- A) a-4, b-1, c-2, d-3      B) a-2, b-3, c-4, d-1  
 C) a-4, b-3, c-1, d-2      D) a-2, b-1, c-4, d-3
37. Match the following:
- |                |                                   |
|----------------|-----------------------------------|
| List I         | List II                           |
| a. Leibenstein | 1. Big push theory                |
| b. Rodan       | 2. Low level equilibrium trap     |
| c. Hirschman   | 3. Critical minimum effort thesis |
| d. Nelson      | 4. Theory of unbalanced growth    |
- A) a-3, b-1 c-4, d-2      B) a-2, b-4, c-1, d-3  
 C) a-4, b-3, c-1, d-2      D) a-3, b-4, c-2, d-1
38. The relationship between quantity of emissions and the damage caused by emissions is represented by:  
 A) Marginal abatement cost      B) Environmental externality  
 C) Marginal damage function      D) Environment Kuznets curve
39. Which among the following is **not** included in Kaldor's stylized facts?  
 A) The rate of growth of output per worker is roughly constant over long periods of time  
 B) The growth rate of output and capital input is constant over time  
 C) The growth rate of capital stock is constant but less than labour  
 D) The profit rate is constant
40. Choose the **incorrect** statement related to the warranted growth rate ( $G_w$ ):  
 A) Warranted growth rate is also known as full-capacity growth rate  
 B) It is the growth an economy requires to maintain full employment  
 C) It is interpreted as the rate of income growth required for full utilization of a growing stock of capital  
 D) It refers to that growth rate of the economy when it is working at full capacity
41. Which among the following is **not** a feature of Leptokurtic?  
 A) Value of Kurtosis  $> 3$   
 B) Very long and thick tails, i.e., more chances of outliers  
 C) It is same as the normal distribution  
 D) Distributions are moderate in breadth, and curves are a medium peaked height

42. Identify the correct statement related to GST:
1. In 2004, Vijay Kelkar recommended GST to replace the existing tax regime
  2. GST is a destination-based taxation system
  3. GST has been established by the 101<sup>st</sup> Constitutional Amendment Act
  4. There is a provision of the GST Council to decide upon any matter related to GST whose chairman is the Prime Minister of India
- A) 1 & 4 only                      B) 2 & 3 only  
 C) 1, 2 & 3 only                    D) 1, 2, 3 & 4
43. e- NAM is aimed to:
- A) Enhance India's integration in the global value chain
  - B) Reduce emissions intensity of its GDP by 45% by 2030 from 2005 levels
  - C) Create a national database of unorganised workers
  - D) Established an online, competitive, transparent bidding system to ensure farmers get remunerative prices for their produce
44. Find the coefficient of range of the following data: 25, 67, 48, 53, 18, 39, 44
- A) 0.26                      B) 0.576                      C) 3.72                      D) 49
45. Match List I with List II:
- | List I  | List II                     |
|---|-----------------------------|
| a. Square root of the variance  | 1. Coefficient of variation |
| b. Average of the squared differences from the mean                                   | 2. Percentiles              |
| c. Ratio of the standard deviation to the mean  | 3. Variance                 |
| d. Comparison score between a particular score and the scores of the rest of a group. | 4. Standard deviation       |
- A) a-4, b-1, c-2, d-3                      B) a-1, b-3, c-2, d-4  
 C) a-4, b-3, c-1, d-2                      D) a-4, b-1, c-3, d-2
46. The Laffer curve is:
- A) U shaped                      B) Inverted U-shaped  
 C) L shaped                      D) Rectangular hyperbola
47. Choose the **incorrect** statement/s :
1. Pollution rights are emission allowances or permits which can be traded between organisations whose operations generate pollution
  2. Pollution rights were first introduced in Norway
  3. Pollution rights represent a market-based solution to the problem of negative externalities
- A) 2 only                      B) 3 only                      C) 1 & 2 only                      D) 1 & 3 only



48. Under perfect competition, if the supply curve has a negative slope, the imposition of a specific tax results in:
- No change in price level
  - Increase in the price which is equal to the amount of tax
  - Increase in the price which is greater than the tax
  - Increase in the price which is lower than the tax
49. According to Cournot's duopoly model:
- Each firm produces  $1/3$  of the market
  - If there are  $n$  number of firms, the industry output will be  $n + 1/n$
  - Stable equilibrium is reached as firms learn from the past miscalculations of competitor's reactions
  - All the above are correct
50. A situation in which one firm can gain only what another firm loses is called:
- Zero-sum game
  - Predation game
  - Non zero-sum game
  - Prisoners' dilemma
51. Franco Modigliani presented a model of limit pricing based on the following assumptions **except**:
- The technology is same for all firms in the industry
  - Entry occurs with the minimum optimum plant size
  - The products are heterogeneous and the market demand is known
  - The firms behave according to the Sylos's Postulate
52. Choose the **incorrect** equation:
- $\text{NNP at market cost} = \text{NNP at factor cost} + \text{Indirect taxes} - \text{Subsidies}$
  - $\text{NDP} = \text{Gross Domestic Product} - \text{Depreciation}$
  - $\text{NNP} = \text{GNP} - \text{Depreciation}$
  - $\text{Personal Income} = \text{Private Income} + \text{Undistributed Corporate Profits} - \text{Profit Taxes}$
53. Assertion (A): According to Keynesian theory, aggregate supply curve assumes a vertical shape after full employment is reached  
Reason (R) : When the state of full employment is reached, further increase in aggregate demand will be unable to increase employment further since output of goods and services cannot be increased further as no more labour is available for production after full employment level is reached
- (A) is correct, but (R) is incorrect
  - (A) is incorrect, but (R) is correct
  - Both (A) and (R) are correct and (R) is the correct explanation of (A)
  - Both (A) and (R) are correct but (R) is not the correct explanation of (A)

54. Assume that consumption function of an economy is  $40 + 0.8y$  and the planned level of investment is Rs 75 crores. Determine the equilibrium level of national income:  
 A) 115 crores    B) 175 crores    C) 500 crores    D) 575 crores
55. Choose the correct statement/s related to LM curve:  
 1. The LM curve is a schedule that describes the combination of rate of interest and level of income at which money market is in equilibrium  
 2. The LM curve is flatter if the interest elasticity of demand for money is low  
 3. The LM curve shifts to the right when the stock of money supply is increased  
 A) 1 only    B) 1 & 2 only    C) 1 & 3 only    D) 2 & 3 only
56. According to Mundell -Fleming Model, an increase in the global interest rate results in:  
 A) Shifting of the BoP curve upward  
 B) Pressure on the home currency to depreciate  
 C) Shifting of the LM curve to the left  
 D) All the above
57. Identify the correct statements according to Permanent Income hypothesis:  
 1. Consumption expenditure is proportional to  $Y_P$ , i.e.,  $C = kY_P$ , where 'k' is a constant representing APC  
 2. In the case of high-income groups, the transitory gains are less than the transitory losses such that the value of transitory income is negative on average over time i.e.,  $Y_H < Y_{PH}$   
 3. Transitory income for groups of individuals with low income is negative i.e.,  $Y_T < 0$   
 A) 1 & 2 only    B) 1 & 3 only  
 C) 2 & 3 only    D) 1, 2 & 3
58. Match List I with List II:  

List I a. Monetary over-investment theory of business cycle b. Pure monetary theory of business cycle c. Innovation theory of business cycle d. Theory of multiplier-acceleration interaction	List II 1. Hicks 2. Schumpeter 3. Hayek 4. Hawtrey
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 A) a-3, b-4, c-2, d-1    B) a-4, b-3, c-1, d-2  
 C) a-4, b-1, c-2, d-3    D) a-3, b-4, c-1, d-2
59. Identify the theory developed by the economists Richard Lipsey and Kelvin Lancaster in 1956:  
 A) Theory of optimum tariff  
 B) Theory of second best  
 C) Theory of opportunity cost advantage  
 D) Reciprocal dumping model

60. Metzler paradox is an exception to:
- A) Leontief paradox                      B) Rybczynski theorem  
 C) H O Theorem                              D) Stolper Samuelson theorem
61. Time-inconsistency describes:
- A) The situations where policies that were determined to be optimal yesterday are no longer perceived to be optimal today and are not implemented  
 B) How each different self of a decision-maker may have different preferences over current and future choices  
 C) Both A and B  
 D) Neither A nor B
62. Identify the condition for achieving Maximum Social Advantage:
- A) Average Social Sacrifice = Average Social Benefit  
 B) Net Social Sacrifice = Net Social Benefit  
 C) Marginal Social Sacrifice = Marginal Social Benefit  
 D) Total Social Sacrifice= Total Social Benefit
63. J Curve indicates that:
- A) Trade surplus will initially worsen after currency depreciation  
 B) Trade deficit will initially worsen after currency depreciation  
 C) Trade deficit will initially worsen after currency appreciation  
 D) Trade surplus will initially worsen after currency appreciation
64. The Marshall–Lerner condition is satisfied if the absolute sum of a country's export and import demand elasticities is:
- A) Equal than one                              B) Equal than zero  
 C) Greater than one                              D) Between zero and one
65. According to Adam Smith:
- A) Progressive state ultimately leads to a stationary state  
 B) Stationary state is dull and happens in a free market economy  
 C) It is the scarcity of natural resources that finally stops growth  
 D) All the above
66. ----- is also called Variance Ratio Distribution.
- A) F distribution                                      B) t distribution  
 C) Z-distribution                                      D) Chi-square distribution
67. Who among the following expounded the median voter theorem?
- A) Musgrave    B) A P Lerner  
 C) Duncan Black                                      D) Amartya Sen

68. According to basic Harrod-Domar model, the rate of growth in an economy can be increased through:
1. Increased level of savings in the economy
  2. Reducing the capital output ratio
  3. Reducing the profit margin
- A) 1 & 2 only    B) 1 & 3 only    C) 2 & 3 only    D) 1, 2 & 3
69. The rate of discount which would make the present value of the series of annuities given by the returns expected from the capital asset during its life just equal to its supply price is called:
- A) Supply price of capital    B) Marginal efficiency of capital  
C) Investment multiplier    D) Marginal propensity to capital
70. Which of the following is **not** related to the theory of revealed preference?
- A) Measurement of utility in cardinal numbers  
B) Consistency  
C) Transitivity  
D) A consumer can be induced to purchase any basket of commodities if its price is made sufficiently attractive.
71. Which among the following is **not** a feature of the monopoly market?
- A) Single seller  
B) No close substitutes for the commodity  
C) Price = marginal revenue  
D) Barriers to entry
72. According to Product Exhaustion theorem, the factor shares add to:
- A) Less than unity    B) Unity  
C) Greater than unity    D) Between 0 and 1
73. Inside the ridge lines, production techniques are:
- A) Technically efficient    B) Technically inefficient  
C) Economically efficient    D) Economically inefficient
74. The Lerner Index of a perfectly competitive firm is given by:
- A)  $L < 0$     B)  $0 < L < 1$     C)  $L = 0$     D)  $L = 1$
75. In Bertrand and Cournot duopoly models, maximisation of the industry profit is impossible due to:
- A) Collusion between firms    B) The naive behaviour of firms  
C) Uncertainty    D) Government regulation

76. The conditions which are of consumer equilibrium, according to Ordinal utility analysis:
1. Marginal rate of substitution should be equal to the ratio of commodity prices
  2.  $MU_X = P_X$
  3. Indifference curves should be convex to the origin
  4.  $\frac{MU_X}{P_X} = \frac{MU_Y}{P_Y} = \dots = \frac{MU_n}{P_n}$
- A) 1 & 2 only    B) 2 & 4 only    C) 1 & 3 only    D) 3 & 4 only
77. Assertion (A): The MC curve reaches its minimum point before the AVC curve and the AC curve.  
Reason (R): The MC curve intersects the AVC curve and the AC curve at their lowest points.
- A) Both A and R are true and R is the correct explanation of A  
B) Both A and R are true, but R is not the correct explanation of A  
C) A is true but R is false  
D) A is false but R is true
78. Assertion (A): When the market is in equilibrium, the quantity supplied by the dominant-firm price leader is zero.  
Reason (R): The quantity supplied by the dominant-firm price leader depends the difference between total market demand and the total market supply
- A) Both A and R are true and R is the correct explanation of A  
B) Both A and R are true, but R is not the correct explanation of A  
C) A is true but R is false  
D) A is false but R is true
79. Regarding employment and inflation, the classicals assume:
- A) Full employment and price fluctuations in the long run  
B) Less than full employment and stable prices in the long run  
C) Less than full employment and price fluctuations in the long run  
D) Full employment and stable prices in the long run
80. Which of the following involves the problem of intertemporal choice?
- A) Investment and government spending  
B) Government spending and net exports  
C) Consumption and investment  
D) Investment and net exports

81. Assertion (A): The slope of IS curve is dependent upon the interest sensitivity of investment and the expenditure multiplier.  
Reason (R): The slope of the LM curve is dependent upon the interest sensitivity of the demand for money and the speculative demand for money.
- A) Both A and R are true and R is the correct explanation of A  
B) Both A and R are true but R is not the correct explanation of A  
C) A is true but R is false  
D) A is false but R is true
82. Tobin's q ratio is given as:
- A)  $q = \frac{\text{rate of return on investment}}{\text{cost of capital}}$   
B)  $q = \frac{\text{cost of capital}}{\text{rate of return on investment}}$   
C)  $q = \frac{\text{rate of return on investment}}{\text{unit of capital stock}}$   
D)  $q = \frac{\text{replacement investment}}{\text{depreciation rate}}$
83. Regarding Samuelson's and Hicksian theories of trade cycle, which is/are **not** correct?
1. In Samuelson's model of business cycle, it is the combination of mpc and accelerator that determine whether a business cycle is explosive or dampening.
  2. Hicks argues that fluctuations in output occur within upper and lower limits.
  3. Hicksian theory of business cycle classifies cycles as oscillatory and non oscillatory
  4. Hicks combines Samuelson's multiplier-accelerator interaction model and Harrod-Domar growth model.
- A) 1 only      B) 2 only      C) 3 only      D) 1, 2, 3 & 4
84. Match the following
- |                               |                        |
|-------------------------------|------------------------|
| List I                        | List II                |
| a. Relative income hypothesis | 1. Edmund S. Phelps    |
| b. Super multiplier           | 2. Robert M. Solow     |
| c. Intertemporal tradeoffs    | 3. J. R Hicks          |
| d. Theory of economic growth  | 4. James S Duesenberry |
- A) a-3, b-1, c-2, d-4      B) a-4, b-3, c-1, d-2  
C) a-1, b-2, c-3, d-4      D) a-3, b-1, c-4, d-2

85. Which of the following schemes emphasizes social and infrastructure projects such as energy, roads, railways, and urban development projects?
- A) National Infrastructure Development Scheme  
 B) National Infrastructure Pipeline  
 C) Indian Infrastructure Development Scheme  
 D) National Rural-Urban Infrastructure Scheme
86. The state which received the highest FDI Equity Inflow during FY 2022-23:
- A) Maharashtra B) Karnataka C) Gujarat D) Delhi
87. Which of the following is/are correct regarding poverty and unemployment in India?
1. Rural unemployment has been more severe than urban unemployment.
  2. Unemployment and poverty alleviation has been adopted as an explicit objective on the basis of recommendations of Bhagawati Committee.
  3. NITI Aayog states that the fastest reduction in the proportion of multidimensional poverty was observed in the States of Uttar Pradesh, Bihar, Madhya Pradesh, Odisha, and Rajasthan.
  4. According to UNDP, 415 million people exited multidimensional poverty in India from 2005-06 to 2019-21.
- A) 1 & 2 only B) 1 & 3 only C) 2 & 3 only D) 1, 2, 3 & 4
88. Which of the following is/are correct regarding financial sector reforms in India?
1. The basic emphasis of monetary policy since the initiation of reforms has been to increase market segmentation between various segments of the financial market including money, government security and the forex market.
  2. The Liquidity Adjustment Facility of the banking system operates through repo and reverse repo auctions.
  3. The first generation financial sector reforms aimed at creating an efficient, productive and profitable financial sector.
  4. Emphasis of the second generation reforms has been on strengthening the financial system and introducing structural improvements.
- A) 1 & 2 only B) 3 & 4 only  
 C) 2, 3 & 4 only D) 1, 2, 3 & 4
89. Assertion (A): The 'demographic dividend' results from an increase in the proportion of workers relative to non-workers in the population.  
 Reason (R): In 2020, the mean age of the Indian population was 29 years.
- A) Both A and R are correct and R is the correct explanation of A  
 B) Both A and R are correct but R is not the correct explanation of A  
 C) A is true but R is false  
 D) A is false but R is true

90. Which one is concerned with determining the probability of an event based on another observed event?  
 A) Bernoulli's theorem      B) Multiplication theorem  
 C) Baye's theorem      D) Sampling theorem

91. What is the value of determinant of a matrix A =

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

- A) -3      B) 3      C) -9      D) 9
92. In quality control, which type of error is termed as consumer's risk?  
 A) Type-I error      B) Type-II error  
 C) Type-III error      D) Sampling error
93. The ratio between the standard deviation and mean, usually expressed in percentage is Coefficient of:  
 A) Mean deviation      B) Quartile deviation  
 C) Range      D) Variation
94. The transpose of a column matrix is ---- matrix.  
 A) Diagonal      B) Column      C) Row      D) Null
95. What is the marginal revenue (MR) function if price (P) of a commodity is given as  $P = 100 - 2Q$ ?  
 A)  $MR = 100Q - 2Q^2$       B)  $MR = 100 - 4Q$   
 C)  $MR = 100 - 2Q$       D)  $MR = 50 - Q$
96. In a table of Chi-square test, if there are 3 rows and 2 columns, how much is the degree of freedom?  
 A) 3      B) 2      C) 1      D) 5
97. Which of the following is/are correct about autocorrelation?  
 1. If the observed relationship among the regression residuals is nonlinear, there exists autocorrelation.  
 2. Autocorrelation can exist in both cross-sectional and time series data.  
 3. The Durbin-Watson test is the common test for autocorrelation.  
 4. The Durbin-Watson test produces a test statistic that ranges from 0 to 4.  
 A) 1 & 2 only      B) 2 & 3 only  
 C) 1 & 3 only      D) 1, 2, 3 & 4



98. Assertion (A): On integrating the derivative of a function, we get back the original function as the result.  
Reason (R): Integration is the reverse process of differentiation
- A) Both A and R are true and R is the correct explanation of A  
B) Both A and R are true but R is not the correct explanation of A  
C) A is true but R is false  
D) A is false but R is true
99. Match the following:
- | List I                   | List II             |
|--------------------------|---------------------|
| a. Level of significance | 1. Two tailed test  |
| b. Autocorrelation       | 2. One tailed test  |
| c. F test                | 3. $0 < \alpha < 1$ |
| d. t test                | 4. Time series data |
- A) a-2, b-1, c-4, d-3      B) a-3, b-4, c-1, d-2  
C) a-1, b-2, c-3, d-4      D) a-3, b-4, c-2, d-1
100. The theory of circular causation was developed by:
- A) Gunnar Myrdal      B) Knut Wicksell  
C) Ragnar Nurkse      D) Arthur Lewis
101. Which of the following is **not** an assumption of the Solow model of economic growth?
- A) Prices and wages are rigid  
B) Constant saving ratio  
C) Neutral technical progress  
D) Constant returns to scale
102. When a poor country with low level of income per capita tends to grow faster than a rich country with high level of income per capita, it is called:
- A) Conditional divergence      B) Conditional convergence  
C) Absolute divergence      D) Absolute convergence
103. In Kaldor's growth model, the marginal propensity of saving by wage earners ( $S_w$ ) is assumed to be:
- A) 1      B) 0      C)  $0 < S_w < 1$       D)  $S_w < 0$
104. Who among the following has **not** advocated the doctrine of balanced growth?
- A) Rosenstein Rodan      B) Ragnar Nurkse  
C) Arthur Lewis      D) A. O Hirschman

105. The contingent valuation method of environmental valuation is referred to as a ---- method.
- Contingent ranking
  - Stated preference
  - Surrogate market
  - Household production function
106. Which are the key partners in Joint Forest Management in India?
- The central government and the state government concerned
  - Ministry of Environment Forest and Climate Change at the centre and the state government concerned
  - The state government concerned and the respective forest department
  - The local communities and the forest departments
107. Identify the correct statements related to 'economic development':
- It considers the rise in the output in an economy along with the advancement of HDI index, advancement in technology and overall happiness index of a nation.
  - 'Economic development' is a broader concept.
  - It is qualitative in nature.
  - It is a continuous process.
- 1 & 2 only
  - 2 & 3 only
  - 1 & 3 only
  - 1, 2, 3 & 4
108. Which of the following is/are **not** correct regarding environmental valuation?
- Use value is the value that individuals derive from using the environmental resources.
  - Option value recognizes that individuals who do not presently use a resource may still value the option of using it in the future.
  - Stated preference method is also known as indirect valuation method.
  - Individuals value environmental resources without ever personally using or intending to use them are known as non-use value.
- 1 & 2 only
  - 2 & 3 only
  - 3 only
  - 1, 2, 3 & 4
109. Assertion (A): Any sound which is over 85 decibels is considered to be harmful.  
Reason (R): Normal talking is around 60 decibels
- Both A and R are true and R is the correct explanation of A.
  - Both A and R are true but R is not the correct explanation of A.
  - A is true but R is false.
  - A is false but R is true.

110. Which theorem postulates that tariff protection leads to an increase in the income of a nation's scarce factor?
- A) Heckscher-Ohlin theorem  
 B) Stolper-Samuelson theorem  
 C) Factor price equalization theorem  
 D) Comparative advantage theory
111. Which are the components of statutory liquidity ratio fixed by RBI in India?
- A) Liquid Assets only  
 B) Liquid Assets and net Demand deposits held by commercial banks  
 C) Liquid Assets and net time deposits held by commercial banks  
 D) Liquid Assets, and net demand and time deposits held by commercial banks
112. In 2001, the Central Government of India established the Investors Education and Protection Fund (IEPF) under the aegis of the:
- A) SBI                      B) RBI                      C) SEBI                      D) Ministry of Finance
113. The canon which states that 'a tax structure that demands involvement of the majority of the sectors of the population' is canon of -----.
- A) Diversity      B) Simplicity      C) Elasticity      D) Convenience
114. As per the CAG, India Report - 2022, the ratio of Public Debt to GSDP of Kerala State in 2020-21 was:
- A) 20.43 %      B) 25.04 %      C) 27.07 %      D) 29.01 %
115. Avoidance of risk in forex market through an agreement to buy or sell a certain amount of forex at a future date is known as
- A) Arbitrage      B) Hedging      C) Speculation      D) Risk averting
116. Arrange the following forms of economic integration in the order of lower to higher complexity
- |                    |                   |
|--------------------|-------------------|
| 1. Customs union   | 2. Economic union |
| 3. Free trade area | 4. Common market  |
- A) 4, 1, 3, 2      B) 3, 1, 4, 2      C) 1, 2, 3, 4      D) 1, 4, 2, 3
117. Which of the following are correct in the case of Factor-Price Equalization Theorem?
1. It postulates that trade will lead to the elimination of pre-trade differences in relative and absolute factor prices between nations.
  2. It postulates that trade will lead to the reduction in the pre-trade differences relative and absolute factor prices between nations.
  3. It postulates that each nation will export the commodity intensive in its relatively abundant and cheap factor.
  4. It postulates that each nation will import the commodity intensive in its relatively scarce and expensive factor.
- A) 1 & 2 only      B) 2 & 3 only      C) 3 & 4 only      D) 1 & 4 only

118. Which of the following is/are correct regarding the recommendations and suggestions of 15<sup>th</sup> Finance Commission of India?
1. The Commission recommended a grant worth Rs 2.9 lakh crore to eliminate revenue deficit to 17 states.
  2. It recommended sector-specific grants and state-specific grants to states.
  3. It suggested that the center bring down the fiscal deficit to 4% of GDP by 2025-26.
  4. It recommended a cost-sharing pattern between center and states for disaster risk management of 90:10 for states other than north-eastern and Himalayan states.
- A) 1 & 2 only                                      B) 1 & 3 only  
 C) 1, 2 & 3 only                                    D) 2, 3 & 4 only
119. Assertion (A):  $M_0$  equals Currency in circulation plus Bankers' deposits with the RBI plus 'Other' deposits with the RBI  
 Reason (R):  $M_4$  equals  $M_3$  plus all deposits with post office savings banks (including National Savings Certificates).
- A) Both A and R are true and R is the correct explanation of A  
 B) Both A and R are true but R is not the correct explanation of A  
 C) A is true but R is false  
 D) A is false but R is true
120. Assertion (A): If the impact and incidence of a tax is on one and the same person, such a tax is an indirect one.  
 Reason (R): If the impact of a tax is on one person and its incidence is on another person, such a tax is a direct one.
- A) Both A and R are true and R is the correct explanation of A  
 B) Both A and R are true but R is not the correct explanation of A  
 C) A is true but R is false  
 D) Both A and R are false
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