

1. The subject matter of price theory is
 - A) Behaviour of industry's decision making
 - B) Economic behaviour of the entire country
 - C) Economic behaviour of individual decision making units
 - D) Behaviour of all decision making units taken together

2. The Engel curve shows
 - A) The amount of a commodity that the consumer would purchase per unit of time at various levels of total income
 - B) The amount of a commodity that the consumer would sell at a given level of income
 - C) The amount of consumer durables that the consumer would purchase per unit of time at various levels of total income
 - D) The amount of consumer non durables that the consumer would purchase per unit of time at various levels of income

3. Hicksian substitution effect refers to
 - A) The change in the quantity demanded of a commodity resulting from a change in its price, while holding real income constant by keeping the consumer on the same indifference curve before and after the price change
 - B) The change in the quantity supplied of a commodity resulting from a change in its price, while holding real income constant by keeping the consumer on the same indifference curve
 - C) The change in the quantity demanded of a commodity from a change in its price, while holding absolute income constant by keeping the consumer on the same indifference curve before and after price change
 - D) The change in the quantity demanded of a commodity resulting from a change in its price, while holding income constant by keeping the consumer on the same indifference curve before and after the price change

4. Transitivity assumption in Revealed Preference theorem states that
 - A) If the consumer is observed to prefer basket A to B, then this consumer will never prefer B to A
 - B) The consumer can be induced to purchase any basket of goods
 - C) If A is preferred to B, and B to C, then A is preferred to C
 - D) A consumer's preferences can be inferred

5. The Learning Curve is
 - A) Positively sloped
 - B) Negatively sloped and convex to the origin
 - C) Right angled
 - D) A horizontal straight line parallel to X axis

6. A market structure which satisfies three conditions of Pareto Optimality
 - A) Monopolistic Competition
 - B) Perfect Competition
 - C) Oligopoly
 - D) Monopoly

7. The approach of Revealed Preference Theorem is
 - A) Psychological
 - B) Introspective
 - C) Behaviorist
 - D) Deductive

8. If specific sales tax is imposed on monopolist output
 - A) Will maintain the initial equilibrium position and price will not change in the short run
 - B) Greater the tax burden to the consumer if market supply is less elastic
 - C) Shifts the Marginal Cost curve to the left leading to smaller equilibrium quantity
 - D) Will not affect the Marginal Cost curve of monopolist

9. A rational consumer will operate in the stage where
 - A) There is an increase in the productivity of fixed and variable factors
 - B) Productivity of variable factor diminishes with positive marginal product
 - C) The quantity of variable factor is more than the quantity of fixed factor
 - D) There is increasing average returns to the factors of production

10. At higher wage rate, the supply curve of labour is
 - A) Always positively sloped
 - B) Forward bending because substitution effect is stronger than income effect
 - C) Backward bending because substitution effect is weaker than income effect
 - D) Both substitution effect and income effect are equally stronger

11. The long run supply curve of a constant cost industry is

A) Downward sloping	B) Vertical
C) Positively sloped	D) Perfectly elastic

12. By joining the points of producer equilibrium we get

A) Expansion Path	B) Ridge lines
C) Producer Indifference Curves	D) Iso Cost Line

13. From the industries listed below, which is the best available example for perfect competition?

A) Tea industry	B) Telephone industry
C) Food grains	D) Automobile industry

14. Marginal Cost always refers to
 - A) Cost of adding one unit
 - B) Gain in reducing one unit
 - C) Change in total cost due to addition or deletion of one unit
 - D) Increment in cost

15. Cobb Douglas production function is homogenous function of degree

A) Zero	B) One
C) Greater than one	D) Less than one

16. A producer of two commodities X and Y using two factors L and K reaches general equilibrium of production whenever
- $MRTS_{LK}$ in the production of X is equal to the $MRTS_{LK}$ in the production of Y
 - $MRTS_{LK}$ in the production of X is less than $MRTS_{LK}$ in the production of Y
 - $MRTS_{LK}$ in the production of X is greater than $MRTS_{LK}$ in the production of Y
 - None of these
17. The concept of 'full cost' includes
- Business cost and opportunity cost
 - Opportunity cost and marketing cost
 - Opportunity cost and normal profit
 - Business cost, opportunity cost and normal profit
18. A curve representing different combinations of two inputs that produce the same level of output is called
- Indifference Curve
 - Isoquant
 - Budget Line
 - Iso Cost Curve
19. Quasi Rent is
- Equal to the firm's total profit
 - Greater than the firm's total profit
 - Less than the firm's total profit
 - Can not be compared with the firm's total profit
20. Social Welfare Function shows
- The various combinations of marginal utilities of two social groups that give the society the same level of satisfaction or welfare
 - The various combinations of utilities of two individuals that give the society the same level of satisfaction or welfare
 - The various combinations of sacrifice of all individuals that give the society an improved level of social welfare
 - None of the above
21. Macro economics does not study
- Interrelationships between macro variables
 - Performance of the entire economy
 - Determination of the levels of aggregate economic activities
 - Price and output determination of a commodity
22. In macro economic framework, Aggregate Supply refers to
- Total value of goods produced and supplied in an economy
 - Total value of goods and services supplied in an economy
 - Total value of goods and services produced and supplied in an economy
 - Total value of goods produced in an economy

23. According to Permanent Income Hypothesis
- A) There exists a non proportional relationship between consumption and permanent income
 - B) Transitory income is positive for lower income households
 - C) Consumer behaviour is based on the theory of inter temporal choice
 - D) Average Propensity to Consume and Marginal Propensity to Consume are equal for all levels of disposable income
24. Given a neo classical aggregate supply schedule, a decrease in autonomous investment leads to
- A) A fall in output, while price level remains the same
 - B) A fall in both price and level of output
 - C) An increase in price and level of output
 - D) A fall in price, but no effect on level of output
25. Static Multiplier assumes
- A) That the change in investment and the resulting change in income are simultaneous
 - B) That the change in savings and the resulting change in consumption are simultaneous
 - C) That the change in investment and the resulting change in consumption are simultaneous
 - D) That the technology remains constant
26. Who among the following is a neo Keynesian?
- A) Lucas
 - B) Sargent
 - C) Muth
 - D) Mankiw
27. Among the following, which is the best definition of national income?
- A) National Income is the money value of all final goods and services produced in a country during a period of one year
 - B) National Income is the money value of all final goods produced in a country during a period of one year
 - C) National Income is the value of all final goods produced in a country during a period of one year
 - D) National Income is the outcome of all production activities of a nation valued in terms of money
28. The ratio of the investment to the change in the national income is called
- A) Accelerator
 - B) Multiplier
 - C) Marginal Propensity to Consume
 - D) Marginal Propensity to Invest
29. Nash Equilibrium is one
- A) Which every player can improve their pay off given the strategy of the other players
 - B) Which some players can improve their pay off given the strategy of the other players
 - C) Which none of the players can improve their pay off
 - D) Which none of the players can improve their pay off given the strategy of the other players.

30. The following can be considered as an objective of monetary policy
- A) Achieve monetary stability
 - B) Avoid conflicts between the internal and external interests of the economy
 - C) Control government expenditure
 - D) Create conditions for an efficient utilization of labour and other productive resources as far as possible
31. GNP deflator is defined as
- A) Ratio of nominal GNP in a year to the real GNP of that year
 - B) Ratio of GNP in a year to the GDP of that year
 - C) Ratio of nominal GNP in a year to the nominal GDP of that year
 - D) Ratio of GNP to the nominal GDP of that year
32. Export surplus is desirable when there is
- A) Excess demand
 - B) No demand
 - C) Deficient demand
 - D) All of the above
33. Money whose intrinsic value is equal to its face value is called
- A) Token money
 - B) High Valued money
 - C) Representative money
 - D) Full Bodied money
34. According to monetary approach to balance of payments, all payment deficits are the result of
- A) Disequilibrium in the balance of payments
 - B) Floating exchange rate system
 - C) Excess supply of money in the home country
 - D) Speculation
35. If $C = 100 + 0.75Y$, where C = Consumption and Y = Income, then multiplier is
- A) 0.6
 - B) 0.4
 - C) 2
 - D) 4
36. If an individual is to receive Rs1100 in one year and the market rate of interest is 10 per cent, its present value is
- A) 800
 - B) 900
 - C) 1100
 - D) 1000
37. The name of the economist with whom the Real Balance Effect is associated
- A) Patinkin
 - B) Keynes
 - C) Arrow
 - D) Friedman
38. Aggregate demand in a two sector model refers to
- A) $C + I + Y$
 - B) $C + I$
 - C) C
 - D) $C + I - Y + X - M$
39. Laffer Curve analysis mainly deals with.....economics
- A) Demand
 - B) Supply
 - C) Fiscal
 - D) Monetary
40. "Ratchet Effect" is associated to
- A) James Duesenberry
 - B) J M Keynes
 - C) Milton Friedman
 - D) Arrow and Modigliani

41. The derivative of a constant is
 A) 1
 B) 0
 C) Negative
 D) Logarithm of that constant
42. The relationship among price elasticity of demand, average revenue and marginal revenue is
 A) Average revenue/(average revenue - marginal revenue)
 B) Marginal revenue/(marginal revenue - average revenue)
 C) Average revenue/(marginal revenue - average revenue)
 D) Average revenue - marginal revenue/average revenue
43. If $P = a - bq$ represents the demand equation, then marginal revenue is
 A) $a - 2bq$
 B) $a - bq$
 C) $aq - bq^2$
 D) $a + 2bq$
44. If the utility function $U = F(x)$, the utility is maximum when
 A) $du/dx = 0$
 B) $d^2u/dx^2 > 0$
 C) $du/dx = 0$ and $d^2u/dx^2 < 0$
 D) $d^2u/dx^2 < 0$
45. Which of the following is a property of transpose of a matrix?
 A) Transpose of the sum of matrices is the difference of the transposes of the individual matrices
 B) Transpose of transpose of a matrix is the original matrix
 C) Transpose of a product of matrices is the product of the transpose of the matrices
 D) Transposes of the matrices are not comparable
46. A matrix which has same elements in the arrangement on both sides of the diagonal running from north west to south east is called.....
 A) Diagonal Matrix
 B) Identity Matrix
 C) Symmetric Matrix
 D) Triangular Matrix
47. Definite integral is defined as
 A) The value of the integral at the upper limit less its value at the lower limit
 B) The value of the integral at the upper limit plus its value at the lower limit
 C) The value of the integral at the lower limit less its value at the upper limit
 D) The value of the integral at the upper limit multiplied by its value at the upper limit
48. Who is more associated with the development of input output analysis?
 A) Leontiff
 B) Danzing
 C) Walras
 D) Pareto
49. In the case of a small sample, the sample size will be
 A) Equal to 30
 B) Less than 20
 C) Less than 29
 D) Depends on population

50. When population under investigation is infinite, we should use
 A) Sample method
 B) Census method
 C) Either sample or census method
 D) None of these
51. Sampling errors are present only in
 A) Complete enumeration survey
 B) Sample survey
 C) Both census and sample surveys
 D) Neither sample or census survey
52. Geographical classification means, classification of data according to
 A) Time
 B) Location
 C) Attributes
 D) Class intervals
53. The geometric mean of two numbers 8 and 18 is
 A) 12
 B) 13
 C) 15
 D) 11.07
54. The correlation coefficient $r = 0$, implies
 A) Perfect positive correlation
 B) Perfect negative correlation
 C) No correlation
 D) Insignificant correlation
55. If the regression coefficients are 0.9 and 0.4, the value of the correlation coefficient is
 A) 0.36
 B) 0.60
 C) 0.81
 D) 0.16
56. A bag contains 30 balls numbered from 1 to 30. One ball is drawn at random. Find the probability that the number of the ball drawn will be a multiple of 5 or seven
 A) $1/3$
 B) $1/5$
 C) $1/6$
 D) $1/2$
57. Dr Ambedkar's contributions to Indian Economic Thought is remarkably found in
 A) The problem of the rupee
 B) Economics of caste
 C) Ancient Indian trade
 D) Deciding foreign exchange rate
58. The growth rate of the Indian economy during 2009-10, according to the Economic Survey 2009-10
 A) 5.3 per cent
 B) 6.7 per cent
 C) 7.8 per cent
 D) 9.1 per cent
59. In India, M3 is otherwise stated as
 A) Reserve money
 B) Narrow money
 C) Broad money
 D) Plastic money

60. The Prime Minister's Employment Generation Programme (PMEGP), has been launched by merging Rural Employment Generation Programme and.....
- A) National Programme of Mid day meals
 B) Swarnjayanti Gram Swarozger Yojana
 C) Swarna Jayanti Shahari Rozgar Yojana
 D) Prime Minister's Rozgar Yojana
61. National Rural Employment Guarantee Scheme (NREGS) was launched in the year
- A) 2005 B) 2006 C) 2007 D) 2008
62. According to Population Census of India (2001), how many females are there for every 1000 males in Kerala?
- A) 1056 B) 1057 C) 1058 D) 1059
63. Total number of Revenue Villages in Kerala in 2009
- A) 1452 B) 999 C) 991 D) 1642
64. Which Article of the Indian Constitution empowers the appointment of Finance Commissions?
- A) 280 B) 180 C) 279 D) 179
65. The significance of 73rd Constitution Amendment (1993)
- A) Enactment relating to social welfare
 B) Enactment relating to panchayats
 C) Enactment relating to anti corruption
 D) Enactment relating to women empowerment
66. "Current Daily Status" is a concept used in measuring
- A) Daily average stock of money supply
 B) Daily average stock of Foreign Exchange Reserves
 C) Rate of inflation
 D) Employment and unemployment
67. The main objective of Bharat Nirman (2005) programme is
- A) Developing skill oriented youth
 B) Providing basic amenities in rural areas
 C) Providing sanitation facilities in rural and urban areas
 D) Encouraging the birth of girl child
68. The Unorganised Worker's Social Security Act was passed in the year
- A) 2008 B) 2009
 C) 2007 D) 2006
69. The basic principles of decentralisation of power in Kerala State was framed by
- A) Kerala Panchayat Raj Act B) Sen Committee
 C) ADB guidelines D) World Bank guidelines

70. The Head Quarters of Small Industries Development Bank of India is located at
 A) Mumbai B) New Delhi
 C) Lucknow D) Chennai
71. The time period of the 11th Five Year Plan
 A) 2009-14 B) 2008-13 C) 2006-11 D) 2007-12
72. In India, Five Year Plans are approved by the
 A) Planning Commission
 B) Parliament
 C) National Development Council
 D) President of India
73. According to the neo classical model, the rate of economic growth depends on
 A) Capital Stock
 B) Capital Stock and Labour Supply
 C) Capital Stock, Labour Supply and Technological Progress
 D) Technological progress
74. The new growth theory assumes technology as
 A) Endogenous B) Exogenous
 C) Constant D) Neutral
75. One of the major contributions of Arthur Lewis to the theory of economic growth is
 A) The concept of full employment
 B) The concept of employment
 C) The concept of frictional unemployment
 D) The concept of disguised unemployment
76. The “Critical Minimum Effort” theory of development was advanced by
 A) Nurkse B) Nelson
 C) Leibenstein D) Kaldor
77. Ricardian analysis of rent is based on the following principle
 A) Law of diminishing returns B) Comparative cost advantage
 C) Fertility of the land D) Law of increasing returns
78. Which committee looked into the problem of tax evasion and suggested measures (1971)
 A) Tyagi Committee B) Boothalingam Committee
 C) Jha Committee D) Wanchoo Committee
79. The statement “A country is poor because it is poor” is associated with the name of
 A) Nurkse B) Hicks C) Smith D) Myrdal
80. Stockholm Conference on Human Environment was held in the year
 A) 1987 B) 1972 C) 1992 D) 1991

81. The environmental Kuznets Curve Hypothesis proposes that
- A) There is an inverted U shape relation between quality of environment and per capita income
 - B) There is a linear relation between quality of environment and per capita income
 - C) There is a negative relation between quality of environment and per capita income
 - D) There is a L shape relation between quality of environment and per capita income
82. Among the following, which term is more associated to environmental issues?
- A) Public utilities
 - B) Shadow price
 - C) Gross profit
 - D) Market price
83. Among the following, which is the best example for international public good?
- A) Western Ghats
 - B) River Nile
 - C) Silent Valley
 - D) Biological Diversity
84. Among the following, which agency is more associated to environmental issues?
- A) UNO
 - B) UNCTAD
 - C) UNDP
 - D) ADB
85. National Environment Policy was declared in the year
- A) 2005
 - B) 2004
 - C) 2006
 - D) 2007
86. According to Harrod, the equilibrium between G and G_w is
- A) Stable
 - B) Knife edge
 - C) Under employment
 - D) Fluctuating
87. According to Kaldor, when savings out of profit is less than savings out of wages
- A) Prices will increase
 - B) Cumulative fall in prices
 - C) Increase in consumption
 - D) Increase in production
88. The person behind the concept “Industrial Reserve Army”
- A) Adam Smith
 - B) David Ricardo
 - C) Malthus
 - D) Karl Marx
89. The rate of exchange can be defined as
- A) The rate at which the currency of one country is converted into US Dollars
 - B) The rate at which Indian rupee is converted into any other currency
 - C) The rate at which one currency is converted into another currency
 - D) The rate declared by the Reserve Bank of India for the conversion of Indian rupee into US Dollars
90. Under fixed exchange system, the rate of exchange is determined by
- A) New York Stock Exchange
 - B) Central Bank of a country
 - C) Planning Commission
 - D) Ministry of Finance

91. The account which shows all transactions to trade in goods, services and unilateral transfers is called
- A) Capital Account B) Current Account
C) Revenue Account D) None of these
92. Find odd man out
- A) Value of shipping services B) Value of marine products exported
C) Value of tea exported D) Value of pepper exported
93. If the value of the currency increases in terms of some other foreign currency by the market mechanism, it is called
- A) Devaluation B) Appreciation
C) Depreciation D) Dumping
94. Foreign Direct Investment (FDI) comes under
- A) Current Account
B) Official Reserve Account
C) Capital Account
D) Revenue Account
95. Among the following which is the best advantage of international trade?
- A) Benefit of price stability
B) Benefit of demand and supply equilibrium for commodities
C) Benefit of achieving equilibrium in foreign exchange reserves
D) Benefit of specialization
96. Ricardian Theory of Comparative Advantage suggests that trade between two countries is desirable
- A) If one has absolute advantage in the production of both the commodities and the other absolute disadvantage in production of both the commodities
B) If one has absolute advantage in the production of at least one commodity and the other absolute disadvantage in production of both the commodities
C) If one has absolute advantage in the production of both the commodities and the other absolute disadvantage in production of at least one commodity
D) If one has comparative advantage in the production of both the commodities, with out considering the status of the other country
97. Terms of Trade can be defined as
- A) Quantity of domestic goods that must be given in exchange for one unit of imported goods
B) Quantity of goods to be exported to balance the deficit in the foreign exchange reserves with respect to a country
C) Quantity of goods to be imported in exchange of one unit of exported goods
D) Ratio between goods exported and goods imported in a given year

98. Forward market refers to
 A) Foreign exchange deals for sale and purchases of foreign currency at some future date
 B) Foreign exchange deals for sale of foreign currency at some future date
 C) Foreign exchange deals for purchase of foreign currency at some future date
 D) Foreign exchange deals for sale and purchase for foreign currency at spot
99. Remittances of the nationals working aboard come under
 A) Current Account B) Capital Account
 C) Official Reserve Account D) Balance of Trade Account
100. Net Factor Income from abroad is defined as
 A) Total income from abroad – factor income
 B) Factor income from abroad – factor income
 C) Factor income from abroad – personal income
 D) Total income from abroad – personal income
101. World Trade Organisation (WTO) came into force on
 A) 1-1-1995 B) 1-1-1994 C) 1-1-1996 D) 1-1-1991
102. Doha Agreement is associated to
 A) Industry B) Agriculture C) Trade D) Banking
103. Which agency is more associated to world trade?
 A) ADB B) UNCTAD C) UNO D) EEC
104. “The Third World War will start from.....”(Paul Roberts)
 A) Struggle for food
 B) Struggle for water
 C) Struggle for gender empowerment
 D) Struggle for sanitation facilities
105. Who is more associated to optimality in allocations?
 A) Wicksell B) Pareto
 C) Tiebout D) Bowen
106. Who advocated expenditure taxation?
 A) Adam Smith
 B) Raja J Chelliah
 C) Indirect Tax Enquiry Committee
 D) Nicholas Kaldor
107. Which of the following is a local tax?
 A) Turnover tax B) Advertisement tax
 C) Sales tax D) Capital gains tax

108. A standard framework introduced in 1969 for disbursing plan assistance to the States
- | | |
|--------------------------|-----------------------|
| A) Kelkar Formula | B) Gadgil Formula |
| C) Population area ratio | D) Density area ratio |
109. Treasury bills are instruments in
- | | |
|-------------------|----------------------------|
| A) Capital market | B) Money market |
| C) Goods market | D) Foreign Exchange market |
110. Value Added Tax (VAT) is
- | |
|---|
| A) Tax on total value of the goods sold |
| B) Tax on the value added by the last seller |
| C) Tax on the value added by all the intermediaries |
| D) None of the above |
111. Pick odd man out
- | | |
|-------------------|----------------------|
| A) Fiscal Deficit | B) Revenue Deficit |
| C) Budget Deficit | D) Deficit Financing |
112. Expenditure that does not create any asset is called
- | | |
|------------------------|-------------------------|
| A) Revenue Expenditure | B) Capital Expenditure |
| C) Plan Expenditure | D) Non Plan Expenditure |
113. Property of persons who die without heirs is called
- | | |
|---------------|-----------------------|
| A) Forfeiture | B) Special assessment |
| C) Escheats | D) Gifts |
114. Who was the Chairman of the Tax Reform Committee, 1991?
- | | |
|------------------|----------------|
| A) Rangarajan | B) Talwar |
| C) Raja Chelliah | D) Narashimham |
115. Expenditure tax was abolished in India in the year
- | | |
|---------|---------|
| A) 1962 | B) 1963 |
| C) 1964 | D) 1965 |
116. Excess of fiscal deficit over interest payments is
- | | |
|----------------------|----------------------|
| A) Monetised deficit | B) Budget deficit |
| C) Primary deficit | D) Secondary deficit |
117. Penalty imposed by the court for breaking of contract is called
- | | |
|-------------|------------------|
| A) Escheats | B) Forfeiture |
| C) Fine | D) None of these |

118. Among the following, which is the best explanation for disinvestment?
- A) Selling of shares
 - B) Selling of shares of government in the public enterprises
 - C) Selling of shares of government in the public enterprises to the private companies
 - D) Selling of shares of government in the public enterprises to the Multi National Companies
119. Spill over effects refer to
- A) Direct effects which flow from the production to the other parties
 - B) Economic effects due to externalities
 - C) Economic effects which flow from the production or use of the good to final users only
 - D) Effects which flow from the production or use of the good to final users only
120. Who coined the term “Merit goods”?
- | | |
|-------------|-------------|
| A) Dalton | B) Musgrave |
| C) Marshall | D) Lerner |

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