

Computer Based Examination System

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| Exported On * | 2022/06/27 12:16:39  |
| Title *       | Question Paper Answer Key  |
| OES Exam *    | GPSC09202112 / Assistant Professors in Government College in Economics/ Completed / 2022-06-26 |

|   |                             |  |
|---|-----------------------------|--|
| 1 | <b>Question Description</b> | Which of the following is <b>true</b> ?  |
|   | <b>A</b>                    | The classical model assumes a fixed nominal wage and Keynesian model assumes a fixed real wage.  |
|   | <b>B</b>                    | The classical model assumes a fixed real wage and Keynesian model assumes a fixed real wage.   |
|   | <b>C</b>                    | The classical model assumes instantaneous adjustment of real wage in response to demand-supply balance in the labor market while the Keynesian model assumes fixed nominal wage. |
|   | <b>D</b>                    | The classical model assumes fixed nominal wage but Keynesian model assumes instantaneous adjustment of real wages in response to demand supply balance in labor market.          |
|   | <b>E</b>                    | None of the above  |
|   | <b>Correct Answer</b>       | C  |
|   | <b>Marks</b>                | 1  |

|   |                             |  |
|---|-----------------------------|--|
| 2 | <b>Question Description</b> | Which one of the following statements in case of Kaldor model of trade cycle is incorrect?   |
|   | <b>A</b>                    | Its foundation can be found in keynes theory of income determination.                        |
|   | <b>B</b>                    | It assumes that both saving and investment function (or at least of the two) are non-linear. |
|   | <b>C</b>                    | It makes use of investment multiplier interaction to generate trade cycles.                  |
|   | <b>D</b>                    | It is based on capital-Stock Adjustment principle.   |
|   | <b>E</b>                    | None of the above  |
|   | <b>Correct Answer</b>       | C  |
|   | <b>Marks</b>                | 1  |

|   |                             |   |
|---|-----------------------------|---|
| 3 | <b>Question Description</b> | In which of the following models of oligopoly it is assumed that firms believe their rivals will continue to produce the same output irrespective of the output produced by the firm? |
|   | <b>A</b>                    | Kinked demand curve model.  |
|   | <b>B</b>                    | Cournot's duopoly model.  |
|   | <b>C</b>                    | Price leadership.   |
|   | <b>D</b>                    | Tacit collusion.  |
|   | <b>E</b>                    | None of the above   |
|   | <b>Correct Answer</b>       | B   |
|   | <b>Marks</b>                | 1   |

|   |                             |  |
|---|-----------------------------|--|
| 4 | <b>Question Description</b> | The production function of Boomex, an auto spare parts manufacturer, is estimated to be $Q = 30 K^{0.50} L^{0.5}$ . If the prices of capital (r) and labor (w) are Rs.20 and Rs.30 per unit respectively, what is the minimum possible cost for producing 180 units? |
|   | <b>A</b>                    | Rs.240.  |
|   | <b>B</b>                    | Rs.280.  |
|   | <b>C</b>                    | Rs.360.  |
|   | <b>D</b>                    | Rs.320.  |
|   | <b>E</b>                    | None of the above  |
|   | <b>Correct Answer</b>       | A  |
|   | <b>Marks</b>                | 1  |

|   |                             |   |
|---|-----------------------------|---|
| 5 | <b>Question Description</b> | The production function $Q = 2K + 3 L + KL$ signifies |
|   | <b>A</b>                    | Decreasing returns to scale                           |
|   | <b>B</b>                    | Increasing returns to scale                           |
|   | <b>C</b>                    | Constant returns to scale                             |
|   | <b>D</b>                    | Law of diminishing marginal productivity              |
|   | <b>E</b>                    | None of the above                                     |
|   | <b>Correct Answer</b>       | B   |
|   | <b>Marks</b>                | 1   |

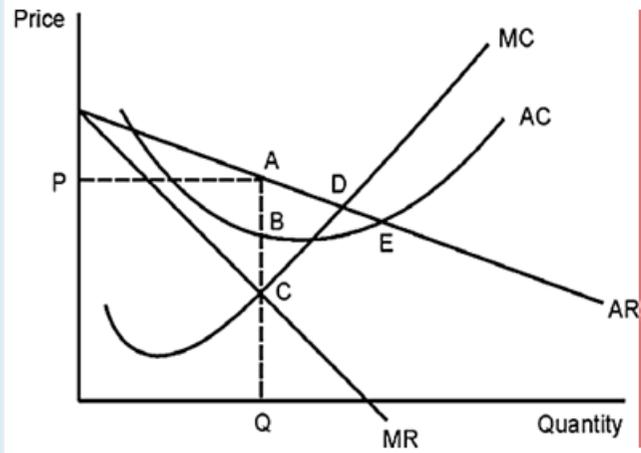
6

|                             |  |
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| <b>Question Description</b> | When aggregate supply is positively sloped and there is an increase in the real per unit cost of materials, aggregate supply shifts to the |
| <b>A</b>                    | Right, the price level falls, and real output increases  |
| <b>B</b>                    | Left, the price level falls, and real output increases   |
| <b>C</b>                    | Right, the price level increases, and real output decreases  |
| <b>D</b>                    | Left, the price level increases, and real output decreases   |
| <b>E</b>                    | None of the above  |
| <b>Correct Answer</b>       | D  |
| <b>Marks</b>                | 1  |

7

**Question Description**

In the diagram below, the point that indicates normal profit for a monopolist is



|                       |                   |
|-----------------------|-------------------|
| A                     | A                 |
| B                     | B                 |
| C                     | C                 |
| D                     | E                 |
| E                     | None of the above |
| <b>Correct Answer</b> | D                 |
| <b>Marks</b>          | 1                 |

|   |                             |   |
|---|-----------------------------|---|
| 8 | <b>Question Description</b> | Which of the following can be evaluated with the help of Lrenz Curve? |
|   | <b>A</b>                    | The Allocative and technical efficiency of markets.                   |
|   | <b>B</b>                    | The comparative advantage of trading partners and terms of trade.     |
|   | <b>C</b>                    | The degree of equity in income distribution                           |
|   | <b>D</b>                    | The equilibrium of market prices and quantities throughout the world. |
|   | <b>E</b>                    | None of the above   |
|   | <b>Correct Answer</b>       | C   |
|   | <b>Marks</b>                | 1   |

|   |                             |  |
|---|-----------------------------|--|
| 9 | <b>Question Description</b> | In an economy, the investment function is given by $I = 2,500 - 100i$ . If an increase in government spending by 625MUC increases the interest rate in the economy by 5%, what could be the amount of crowding out in the economy? |
|   | <b>A</b>                    | 250 MUC.   |
|   | <b>B</b>                    | 375 MUC.   |
|   | <b>C</b>                    | 190 MUC.   |
|   | <b>D</b>                    | 500 MUC.   |
|   | <b>E</b>                    | None of the above  |
|   | <b>Correct Answer</b>       | D  |
|   | <b>Marks</b>                | 1  |

|    |                             |   |
|----|-----------------------------|---|
| 10 | <b>Question Description</b> | Laffer Curve measures:                      |
|    | <b>A</b>                    | Relation between tax rate and tax revenue   |
|    | <b>B</b>                    | Aggregate tax and aggregate Non-tax revenue |
|    | <b>C</b>                    | Total tax burden and total payment burden   |
|    | <b>D</b>                    | Total income and total expenditure.         |
|    | <b>E</b>                    | None of the above                           |
|    | <b>Correct Answer</b>       | A   |
|    | <b>Marks</b>                | 1   |

|    |                             |   |
|----|-----------------------------|---|
| 11 | <b>Question Description</b> | J curve in the economics is related to  |
|    | <b>A</b>                    | Index is a type of cost-of-living index that uses an expenditure function such as one used in assessing expected compensating variation |
|    | <b>B</b>                    | Show the relationship between tax rates and the amount of tax revenue collected by governments  |
|    | <b>C</b>                    | The inverse relationship between unemployment rate and inflation  |
|    | <b>D</b>                    | Refers to the trend of a country's trade balance following a devaluation  |
|    | <b>E</b>                    | None of the above   |
|    | <b>Correct Answer</b>       | D   |
|    | <b>Marks</b>                | 1   |

|    |                             |   |
|----|-----------------------------|---|
| 12 | <b>Question Description</b> | Racing Cycles Ltd., faces a horizontal demand curve. The firm's Total Cost, TC is given by the equation $TC = 200 + 150Q - 20Q^2 + Q^3$ . What is the price below which the firm is forced to shut down its operations? |
|    | <b>A</b>                    | Rs.45.  |
|    | <b>B</b>                    | Rs.200.   |
|    | <b>C</b>                    | Rs.50.  |
|    | <b>D</b>                    | Rs.150.   |
|    | <b>E</b>                    | None of the above   |
|    | <b>Correct Answer</b>       | C   |
|    | <b>Marks</b>                | 1   |

|    |                             |  |
|----|-----------------------------|--|
| 13 | <b>Question Description</b> | Which of the following is the condition(s) of economic viability and technological feasibility of Leontief's static model? |
|    | <b>A</b>                    | Perron-Frobinus root   |
|    | <b>B</b>                    | Value of the objective function of the primal should equal the value of the objective function of the dual of the primal.  |
|    | <b>C</b>                    | Kuhn-Tucker conditions   |
|    | <b>D</b>                    | Hawkins-Simon conditions   |
|    | <b>E</b>                    | None of the above  |
|    | <b>Correct Answer</b>       | D  |
|    | <b>Marks</b>                | 1  |

14

**Question Description**

The weights of a population of adult male gray whales are approximately normally distributed with a mean weight of 18,000 kilograms and a standard deviation of 4,000 kilograms. The weights of a population of adult male humpback whales are approximately normally distributed with a mean weight of 30,000 kilograms and a standard deviation of 6,000 kilograms. A certain adult male gray whale weighs 24,000 kilograms. This whale would have the same standardized weight ( $z$ -score) as an adult male humpback whale whose weight, in kilograms, is equal to which of the following?

**A**

21000

**B**

24000

**C**

30000

**D**

39000

**E**

None of the above

**Correct Answer**

D

**Marks**

1

15

**Question Description**

GDP at factor cost and GDP at market prices are both measures of output in the economy.  
The item(s) that give(s) rise to the difference(s) in the two measures is/are

**A**

Direct taxes and subsidies

**B**

Direct taxes net of subsidies

**C**

Indirect taxes and subsidies

**D**

Direct taxes and depreciation

**E**

None of the above

**Correct Answer**

C

**Marks**

1

|                       |  |   |
|-----------------------|--|---|
| 16                    | <b>Question Description</b>  | A television news editor would like to know how local registered voters would respond to the question, "Are you in favor of the school bond measure that will be voted on in an upcoming special election?" A television survey is conducted during a break in the evening news by listing two telephone numbers side by side on the screen, one for viewers to call if they approve of the bond measure, and the other to call if they disapprove. This survey method could produce biased results for a number of reasons. Which one of the following is the most obvious reason? |
| A                     | It uses a stratified sample rather than a simple random sample.          |   |
| B                     | People who feel strongly about the issue are more likely to respond.     |   |
| C                     | Viewers should be told about the issues before the survey is conducted.  |   |
| D                     | Some registered voters who call might not vote in the election.          |   |
| E                     | None of the above  |   |
| <b>Correct Answer</b> | B  |   |
| <b>Marks</b>          | 1  |   |
| 17                    | <b>Question Description</b>  | Assertion (A): In monopolistic competition, a firm earns only normal profit in the long run.<br>Reason (R): A firm in monopolistic competition produces a commodity which has no close substitutes.   |
| A                     | Both (A) and (R) are true and (R) is not the correct explanation of (A). |   |
| B                     | Both (A) and (R) are true and (R) is not the correct explanation of (A). |   |
| C                     | (A) is true and (R) is false.  |   |
| D                     | (A) is false and (R) is true.  |   |
| E                     | None of the above  |   |
| <b>Correct Answer</b> | B  |   |
| <b>Marks</b>          | 1  |   |

|    |                             |  |
|----|-----------------------------|--|
| 18 | <b>Question Description</b> | An individual's supply curve for labour will bend backwards when   |
|    | <b>A</b>                    | The substitution effect of wage rate increase is higher than income effect.  |
|    | <b>B</b>                    | The income effect of wage rate increase is negative and higher than the substitution effect.   |
|    | <b>C</b>                    | Leisure is a Giffen good.  |
|    | <b>D</b>                    | The substitution and income effect of wage rate increase reinforce each other.   |
|    | <b>E</b>                    | None of the above  |
|    | <b>Correct Answer</b>       | A  |
|    | <b>Marks</b>                | 1  |
| 19 | <b>Question Description</b> | In the standard IS-LM model, which of the following is true if the government raises tax rate and the Reserve Bank of India decides to hold the money supply constant? |
|    | <b>A</b>                    | Disposable income remains constant.  |
|    | <b>B</b>                    | IS curve shifts to the right.  |
|    | <b>C</b>                    | LM curve shifts to the left.   |
|    | <b>D</b>                    | Interest rate falls.   |
|    | <b>E</b>                    | None of the above  |
|    | <b>Correct Answer</b>       | D  |
|    | <b>Marks</b>                | 1  |

20

|                             |  |
|-----------------------------|--|
| <b>Question Description</b> | Assertion (A): Devaluation will lead to improvement in balance of trade.<br>Reason (R): Devaluation will lead to increase in price of exports. |
| <b>A</b>                    | Both (A) and (R) are true and (R) is not the correct explanation of (A).   |
| <b>B</b>                    | Both (A) and (R) are true and (R) is not the correct explanation of (A).   |
| <b>C</b>                    | (A) is true and (R) is false.  |
| <b>D</b>                    | (A) is false and (R) is true.  |
| <b>E</b>                    | None of the above  |
| <b>Correct Answer</b>       | C  |
| <b>Marks</b>                | 1  |

21

|                             |  |
|-----------------------------|--|
| <b>Question Description</b> | Opportunity Cost Theory of international trade is given by |
| <b>A</b>                    | Harberler  |
| <b>B</b>                    | Adam Smith   |
| <b>C</b>                    | Ricardo  |
| <b>D</b>                    | Heckschor-ohlin  |
| <b>E</b>                    | None of the above  |
| <b>Correct Answer</b>       | A  |
| <b>Marks</b>                | 1  |

|    |                             |   |
|----|-----------------------------|---|
| 22 | <b>Question Description</b> | The demand function for a good is $Q_d = 250000 - 35P$ . The theoretical highest price that can prevail in the market and the theoretical maximum quantity that the customers are willing to purchase are |
|    | <b>A</b>                    | Rs.7142.86 and 250,000 units  |
|    | <b>B</b>                    | Rs.7245.75 and 225,375 units  |
|    | <b>C</b>                    | Rs.7214.68 and 25,000 units   |
|    | <b>D</b>                    | Rs.7124.86 and 0 units  |
|    | <b>E</b>                    | None of the above   |
|    | <b>Correct Answer</b>       | A   |
|    | <b>Marks</b>                | 1   |
| 23 | <b>Question Description</b> | The difference between the value of marginal product and the marginal revenue product arises only if  |
|    | <b>A</b>                    | Average revenue is not equal to marginal revenue  |
|    | <b>B</b>                    | Average cost is not equal to marginal cost  |
|    | <b>C</b>                    | Total revenue is not equal to total cost  |
|    | <b>D</b>                    | Average cost is not equal to average revenue  |
|    | <b>E</b>                    | None of the above   |
|    | <b>Correct Answer</b>       | A   |
|    | <b>Marks</b>                | 1   |

24

**Question Description**

With reference to Trade-Related Investment Measures (TRIMS), which of the following statements is/are correct?

1. Quantitative restrictions on imports by foreign investors are prohibited.
2. They apply to investment measures related to trade in both goods and services.
3. They are not concerned with the regulation of foreign investment.

Select the correct answer using the code given below:

**A**

1 and 2 only

**B**

2 only

**C**

1 and 3 only

**D**

1, 2 and 3

**E**

None of the above

**Correct Answer**

C

**Marks**

1

25

|                             |   |
|-----------------------------|---|
| <b>Question Description</b> | “Consumption is irreversible” is implicit in which of the following hypothesis? |
| <b>A</b>                    | Absolute Income Hypothesis  |
| <b>B</b>                    | Relative Income Hypothesis  |
| <b>C</b>                    | Life Cycle Hypothesis   |
| <b>D</b>                    | Permanent Income Hypothesis   |
| <b>E</b>                    | None of the above   |
| <b>Correct Answer</b>       | B   |
| <b>Marks</b>                | 1   |

26

**Question Description**

Consider the following Demand and Supply functions:

$$\text{Demand function: } P = 100 - 4Q$$

$$\text{Supply function: } P = 40 + 2Q.$$

(Where  $P$  = Price per unit and  $Q$  = Quantity in units).

The equilibrium price and quantity are

**A**

$$P = 60, Q = 10$$

**B**

$$P = 10, Q = 6$$

**C**

$$P = 40, Q = 6$$

**D**

$$P = 20, Q = 20$$

**E**

None of the above

**Correct Answer**

A

**Marks**

1

|    |                             |   |
|----|-----------------------------|---|
| 27 | <b>Question Description</b> | Which of the following is the best description of the term “ <b>Asian Premium</b> ” often seen in news?                   |
|    | <b>A</b>                    | It is the money which developed countries agreed to give to the poor countries of Asia to avoid climate change.           |
|    | <b>B</b>                    | Extra charges being collected by OPEC countries from Asian countries when selling oil in comparison to Western countries. |
|    | <b>C</b>                    | The total amount of investments Asian Countries received from World Bank in the last decade.                              |
|    | <b>D</b>                    | The extra amount of FDI Asian Countries received in last few years due to their population and lack of development.       |
|    | <b>E</b>                    | None of the above   |
|    | <b>Correct Answer</b>       | B   |
|    | <b>Marks</b>                | 1   |

|    |                             |   |
|----|-----------------------------|---|
| 28 | <b>Question Description</b> | The production function of a firm is estimated to be $Q = \sqrt{L}\sqrt{K}$ . The cost of inputs Labor (L) and Capital (K) are Rs.2 and Rs.4 per unit respectively. If the firm producing Q has a budget constraint of Rs.80. What is the maximum output? |
|    | <b>A</b>                    | 20 units.   |
|    | <b>B</b>                    | 14.14 units.  |
|    | <b>C</b>                    | 12.14 units.  |
|    | <b>D</b>                    | 15.15 units.  |
|    | <b>E</b>                    | None of the above   |
|    | <b>Correct Answer</b>       | A   |
|    | <b>Marks</b>                | 1   |

29

**Question Description**

Consider the following functions:

$$S = -250 + 0.2Y$$

$$M = 0.15Y$$

Where S is aggregate saving, M is imports, and Y is national product. If the private gross domestic investment increases by 250 units and government spending decreases by 75 units, by what tune the national income will increase?

**A** 500.

**B** 525.

**C** 515.

**D** 475.

**E** None of the above

**Correct Answer** A

**Marks** 1

30

**Question Description**

Random variable  $X$  is normally distributed with mean 10 and standard deviation 3, and random variable  $Y$  is normally distributed with mean 9 and standard deviation 4. If  $X$  and  $Y$  are independent, which of the following describes the distribution of  $\tilde{YX}$ ?

**A**Normal with mean 1 and standard deviation  $\tilde{1}$ **B**Normal with mean  $\tilde{1}$  and standard deviation  $\tilde{1}$ **C**Normal with mean  $\tilde{1}$  and standard deviation 5**D**

Normal with mean 1 and standard deviation 7

**E**

None of the above

**Correct Answer**

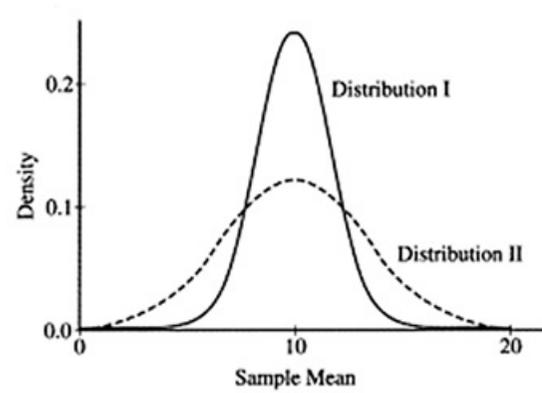
C

**Marks**

1

**Question Description**

The graphs of the sampling distributions, I and II, of the sample mean of the same random variable for samples of two different sizes are shown below. Which of the following statements must be true about the sample sizes?



- A** The sample size of I is less than the sample size of II.
- B** The sample size of I is greater than the sample size of II.
- C** The sample size of I is equal to the sample size of II.
- D** The sample size does not affect the sampling distribution.
- E** None of the above

**Correct Answer**

B

**Marks**

1

|    |                             |   |
|----|-----------------------------|---|
| 32 | <b>Question Description</b> | Which are the two gaps affecting growth process of an economic system in the two gap model of growth? |
|    | <b>A</b>                    | Saving gap and investment gap   |
|    | <b>B</b>                    | Income gap and consumption gap  |
|    | <b>C</b>                    | Foreign exchange gap and domestic saving gap  |
|    | <b>D</b>                    | Export gap and import gap   |
|    | <b>E</b>                    | None of the above   |
|    | <b>Correct Answer</b>       | C   |
|    | <b>Marks</b>                | 1   |

|    |                             |   |
|----|-----------------------------|---|
| 33 | <b>Question Description</b> | Which of the following is/are false in a monopolistic competition?  |
|    | <b>A</b>                    | With excessive product differentiation, monopolistic competition will become inefficient in the long run.                                 |
|    | <b>B</b>                    | In the short run the monopolistic competitor sets price at an output level where $MC = MR$  |
|    | <b>C</b>                    | In the long run the price set by the monopolistic competitor changes to a point where the new demand curve is tangential to the AC curve. |
|    | <b>D</b>                    | The marginal revenue will be more than the price.   |
|    | <b>E</b>                    | None of the above   |
|    | <b>Correct Answer</b>       | D   |
|    | <b>Marks</b>                | 1   |

34

**Question Description**

Consider the following about “Zero Budget Natural Farming”:

- I. Zero budget farming promises to end a reliance on loans and drastically cut production costs, ending the debt cycle for desperate farmers.
- II. Under this initiative there is no use of chemicals.
- III. The movement first evolved in Karnataka.

Which of the statements given above is/are correct?

**A**

3 only

**B**

1 and 2 only

**C**

2 only

**D**

All of the above

**E**

None of the above

**Correct Answer**

D

**Marks**

1

|    |                             |  |
|----|-----------------------------|--|
| 35 | <b>Question Description</b> | The classical analysis of determination of output and employment is characterised as a |
|    | <b>A</b>                    | Static Analysis  |
|    | <b>B</b>                    | Comparative stati analysis   |
|    | <b>C</b>                    | Dynamic analysis   |
|    | <b>D</b>                    | All of the above   |
|    | <b>E</b>                    | None of the above  |
|    | <b>Correct Answer</b>       | A  |
|    | <b>Marks</b>                | 1  |

|    |                             |  |
|----|-----------------------------|--|
| 36 | <b>Question Description</b> | Full employment and balance of payments equilibrium will be automatically achieved in an optimum currency area |
|    | <b>A</b>                    | If exchange rates are flexible   |
|    | <b>B</b>                    | Foreign capital flows into the country   |
|    | <b>C</b>                    | If labour and capital move freely  |
|    | <b>D</b>                    | If trade is liberalized  |
|    | <b>E</b>                    | None of the above  |
|    | <b>Correct Answer</b>       | C  |
|    | <b>Marks</b>                | 1  |

|    |                             |   |
|----|-----------------------------|---|
| 37 | <b>Question Description</b> | In an economy the real output grows at the rate of 6% per year. The nominal supply of money grows at the rate of 5% and the income elasticity of money demand is 0.5.<br>The rate of inflation in long-run equilibrium and the rate of growth of nominal income respectively are: |
|    | <b>A</b>                    | 2% and 7%   |
|    | <b>B</b>                    | 3% and 8%   |
|    | <b>C</b>                    | 2% and 8%   |
|    | <b>D</b>                    | 2.5% and 7.5%   |
|    | <b>E</b>                    | None of the above   |
|    | <b>Correct Answer</b>       | C   |
|    | <b>Marks</b>                | 1   |

|    |                             |   |
|----|-----------------------------|---|
| 38 | <b>Question Description</b> | Which of the following statements is true?  |
|    | <b>A</b>                    | In the short run, a competitive firm may incur losses but the monopolist will always earn abnormal profits.   |
|    | <b>B</b>                    | A monopolist can be in equilibrium whether costs are increasing, decreasing or constant but a competitive firm can be in equilibrium only under decreasing cost conditions. |
|    | <b>C</b>                    | In the long run, the monopolist will earn normal profits while a competitive firm earns abnormal profits.   |
|    | <b>D</b>                    | Consumers' surplus is more under conditions of perfect competition than under monopoly.   |
|    | <b>E</b>                    | None of the above   |
|    | <b>Correct Answer</b>       | D   |
|    | <b>Marks</b>                | 1   |

|    |                             |   |
|----|-----------------------------|---|
| 39 | <b>Question Description</b> | Inventory-theoretic approach to transactions demand for money has been given by |
|    | <b>A</b>                    | J.M. Keynes   |
|    | <b>B</b>                    | Milton Friedman   |
|    | <b>C</b>                    | Don Patinkin  |
|    | <b>D</b>                    | W.J Baumol  |
|    | <b>E</b>                    | None of the above   |
|    | <b>Correct Answer</b>       | D   |
|    | <b>Marks</b>                | 1   |

|    |                             |  |
|----|-----------------------------|--|
| 40 | <b>Question Description</b> | Acceleration coefficient in an economy is 2. Investment in a period is equal to 75% of the difference between the desired capital stock and the existing capital stock. If income in period 't' is expected to increase by 200 MUC, investment during the period 't' will be |
|    | <b>A</b>                    | 200 MUC  |
|    | <b>B</b>                    | 300 MUC  |
|    | <b>C</b>                    | 400 MUC  |
|    | <b>D</b>                    | 500 MUC  |
|    | <b>E</b>                    | None of the above  |
|    | <b>Correct Answer</b>       | B  |
|    | <b>Marks</b>                | 1  |

|    |                             |   |
|----|-----------------------------|---|
| 41 | <b>Question Description</b> | <b>An increase in the marginal propensity to import</b>   |
|    | <b>A</b>                    | Has the same effect upon the multiplier as an increase in the Marginal Propensity to consume.   |
|    | <b>B</b>                    | Has no effect upon the multiplier   |
|    | <b>C</b>                    | Will increase the value of the multiplier   |
|    | <b>D</b>                    | Will decrease the value of the multiplier   |
|    | <b>E</b>                    | None of the above   |
|    | <b>Correct Answer</b>       | D   |
|    | <b>Marks</b>                | 1   |
| 42 | <b>Question Description</b> | Which of the following statements is <b>true</b> ?  |
|    | <b>A</b>                    | An equal increase in government expenditure and taxation can result in an increase in GDP, other things being equal.  |
|    | <b>B</b>                    | Fiscal policy, if properly administered, would eliminate the need for monetary policy.  |
|    | <b>C</b>                    | The existence of the progressive personal income tax system increases the size of the government spending multiplier.   |
|    | <b>D</b>                    | A downward shift in the investment schedule has a greater multiplier effect on GDP than an equivalent downward shift in the government-expenditures schedule. |
|    | <b>E</b>                    | None of the above   |
|    | <b>Correct Answer</b>       | A   |
|    | <b>Marks</b>                | 1   |

43

**Question Description**

What is the importance of the term “Interest Coverage Ratio” of a firm in India?

1. It helps in understanding the present risk of a firm that a bank is going to give a loan to.
2. It helps in evaluating the emerging risk of a firm that a bank is going to give a loan to.
3. The higher a borrowing firm’s level of Interest Coverage Ratio, the worse is its ability to service its debt.

Select the correct answer using the code given below:

**A** 1 and 2 only

**B** 2 only

**C** 1 and 3 only

**D** 1, 2 and 3

**E** None of the above

**Correct Answer** C

**Marks** 1

44

|                             |  |
|-----------------------------|--|
| <b>Question Description</b> | If the government increases its expenditure and simultaneously adjusts the tax rate such that the budget deficit remains at the original level, then which of the following is true?               |
| <b>A</b>                    | The equilibrium income will increase by the amount of increase in government expenditure if marginal propensity to consume is equal to the investment-income ratio in the investment function.     |
| <b>B</b>                    | The equilibrium income increases by the amount of increase in government expenditure.  |
| <b>C</b>                    | The equilibrium income will increase by the amount of increase in government expenditure if marginal propensity to consume is greater than the investment-income ratio in the investment function. |
| <b>D</b>                    | The equilibrium income will increase by the amount of increase in government expenditure if marginal propensity to import is equal to the investment-income ratio in the investment function.      |
| <b>E</b>                    | None of the above  |
| <b>Correct Answer</b>       | A  |
| <b>Marks</b>                | 1  |

45

**Question Description**

Consider the following statements

1. Purchasing Power Parity (PPP) exchange rates are calculated by comparing the prices of the same basket of goods and services in different countries.
2. In terms of PPP dollars, India is the sixth-largest economy in the world.

Which of the statements given above is/are correct?

**A**

1 only

**B**

2 only

**C**

Both 1 and 2

**D**

Neither 1 nor 2

**E**

None of the above

**Correct Answer**

A

**Marks**

1

|    |                             |   |
|----|-----------------------------|---|
| 46 | <b>Question Description</b> | An entrepreneur in order to maximize the profits, without affecting the price, should produce an output where |
|    | <b>A</b>                    | Average cost is minimum   |
|    | <b>B</b>                    | Average variable cost is minimum  |
|    | <b>C</b>                    | Average fixed cost is minimum   |
|    | <b>D</b>                    | Marginal cost is equal to the average variable cost   |
|    | <b>E</b>                    | None of the above   |
|    | <b>Correct Answer</b>       | A   |
|    | <b>Marks</b>                | 1   |

|    |                             |   |
|----|-----------------------------|---|
| 47 | <b>Question Description</b> | Which of the following is the best description of the term “ <b>Mathew Effect</b> ” sometimes seen in news?       |
|    | <b>A</b>                    | A social phenomenon wherein people who already possess high economic or social status continue to do so over time |
|    | <b>B</b>                    | A social phenomenon wherein people who possess high economic or social status suddenly lose that status.          |
|    | <b>C</b>                    | A social phenomenon wherein people who possess low economic or social status improve their status over time       |
|    | <b>D</b>                    | Convergence of income between the poor and the rich.  |
|    | <b>E</b>                    | None of the above   |
|    | <b>Correct Answer</b>       | A   |
|    | <b>Marks</b>                | 1   |

48

**Question Description**

Which of the following statement/s is/are true?

- i.  $M1 = \text{Currency with public} + \text{Demand portion of savings deposits with banks} + \text{Demand deposits with banks} + \text{Other deposits with RBI.}$
- ii.  $M2 = M1 + \text{Post office savings deposits.}$
- iii.  $M3 = M1 + \text{Time deposits with banks.}$
- iv.  $M4 = M3 + \text{All post office deposits.}$

**A**

Only (i) above.

**B**

Both (i) and (ii) above.

**C**

Both (ii) and (iii) above.

**D**

Both (i) and (iv) above.

**E**

None of the above

**Correct Answer**

D

**Marks**

1

49

**Question Description**

A high school physics teacher was conducting an experiment with his class on the length of time it will take a marble to roll down a sloped chute. The class ran repeated trials in order to determine the relationship between the length, in centimeters, of the sloped chute and the time, in seconds, for the marble to roll down the chute. A linear relationship was observed and the correlation coefficient was 0.964. After discussing their results, the teacher instructed the students to convert all of the length measurements to meters but leave the time in seconds. What effect will this have on the correlation of the two variables?

**A**

Because the standard deviation of the lengths in meters will be one hundredth of the standard deviation of the lengths in centimeters, the correlation will decrease by one hundredth to 0.954.

**B**

Because the standard deviation of the lengths in meters will be one hundredth of the standard deviation of the lengths in centimeters, the correlation will decrease proportionally to 0.00964.

**C**

Because changing from centimeters to meters does not affect the value of the correlation, the correlation will remain 0.964.

**D**

Because only the length measurements have been changed, the correlation will decrease substantially.

**E**

None of the above

**Correct Answer****C****Marks**

1

50

**Question Description**

Assertion (A): In the short run, a producer operates in only stage II of the law of diminishing returns where average product of the variable factor is declining.

Reason (R): In stage I and stage III the marginal products of the fixed and the variable factors respectively are negative.

**A**

(A) is true and (R) is false.

**B**

Both (A) and (R) are true and (R) is the correct explanation of (A).

**C**

Both (A) and (R) are true and (R) is not the correct explanation of (A).

**D**

(A) is false and (R) is true.

**E**

None of the above

**Correct Answer****B****Marks****1**

51

**Comprehension**

Read the Passage Below and answer the following questions:

From the very beginning man has attempted what has seemed impossible. Man is different from the rest of the creation in this respect. He has an eternal thirst for adventure. This has led to countless new discoveries and inventions. Human curiosity is limitless. This has led to space flights and moon landings. The desire to know what is beyond the visible world takes many forms. The Everest hero Tenzing and the hero of the 'Seven Seas', Mihir Sen, were inspired by the same restless spirit. Astronauts Armstrong, Collins and Aldrin, who were the first humans to set foot on the soil of the moon, have proved beyond doubt that man shall not rest until he has conquered the entire universe. But, is it enough to know and master nature? Which is more important: knowing and understanding the world around or knowing and understanding yourself? In the absence of self-knowledge, the most advanced knowledge of the universe is not only useless but dangerous.

**Question Description**

From the options provided below, identify the phrase that does not describe the innate nature of human kind, as per the passage

**A**

eternal thirst for knowledge

**B**

countless new discoveries and inventions

**C**

desire to know what is beyond the visible world

**D**

restless spirit

**E**

None of the above

**Correct Answer**

B

**Marks**

1

52

**Comprehension**

Read the Passage Below and answer the following questions:

From the very beginning man has attempted what has seemed impossible. Man is different from the rest of the creation in this respect. He has an eternal thirst for adventure. This has led to countless new discoveries and inventions. Human curiosity is limitless. This has led to space flights and moon landings. The desire to know what is beyond the visible world takes many forms. The Everest hero Tenzing and the hero of the 'Seven Seas', Mihir Sen, were inspired by the same restless spirit. Astronauts Armstrong, Collins and Aldrin, who were the first humans to set foot on the soil of the moon, have proved beyond doubt that man shall not rest until he has conquered the entire universe. But, is it enough to know and master nature? Which is more important: knowing and understanding the world around or knowing and understanding yourself? In the absence of self-knowledge, the most advanced knowledge of the universe is not only useless but dangerous.

**Question Description**

The passage indicates that mankind differs from other living species in

A the thirst for adventure

B self-knowledge

C the desire to conquer the universe

D attempting the impossible

E None of the above

**Correct Answer** D

**Marks** 1

**Comprehension**

Read the Passage Below and answer the following questions:

From the very beginning man has attempted what has seemed impossible. Man is different from the rest of the creation in this respect. He has an eternal thirst for adventure. This has led to countless new discoveries and inventions. Human curiosity is limitless. This has led to space flights and moon landings. The desire to know what is beyond the visible world takes many forms. The Everest hero Tenzing and the hero of the 'Seven Seas', Mihir Sen, were inspired by the same restless spirit. Astronauts Armstrong, Collins and Aldrin, who were the first humans to set foot on the soil of the moon, have proved beyond doubt that man shall not rest until he has conquered the entire universe. But, is it enough to know and master nature? Which is more important: knowing and understanding the world around or knowing and understanding yourself? In the absence of self-knowledge, the most advanced knowledge of the universe is not only useless but dangerous.

**Question Description**

Read the following statements and arrange them in a logical sequence in line with the tone of the passage

- (i) In the absence of self-knowledge, it is also dangerous
- (ii) Knowing and understanding yourself is more important
- (iii) The most advanced knowledge of the universe is useless
- (iv) Knowing and understanding the world around is important

**A**

(i); (ii); (iii) ;(iv)

**B**

(iv); (ii);(iii);(iv)

**C**

(iii); (i); (ii) ;(iv)

**D**

(ii); (iv); (iii) ;(i)

**E**

None of the above

**Correct Answer**

B

|                             |   |
|-----------------------------|---|
| <b>Marks</b>                | 1   |
| 54 <b>Comprehension</b>     | <p>Read the Passage Below and answer the following questions:</p> <p>From the very beginning man has attempted what has seemed impossible. Man is different from the rest of the creation in this respect. He has an eternal thirst for adventure. This has led to countless new discoveries and inventions. Human curiosity is limitless. This has led to space flights and moon landings. The desire to know what is beyond the visible world takes many forms. The Everest hero Tenzing and the hero of the ‘Seven Seas’, Mihir Sen, were inspired by the same restless spirit. Astronauts Armstrong, Collins and Aldrin, who were the first humans to set foot on the soil of the moon, have proved beyond doubt that man shall not rest until he has conquered the entire universe. But, is it enough to know and master nature? Which is more important: knowing and understanding the world around or knowing and understanding yourself? In the absence of self-knowledge, the most advanced knowledge of the universe is not only useless but dangerous.</p> |
| <b>Question Description</b> | In the passage what is described as boundless   |
| <b>A</b>                    | the desire to know  |
| <b>B</b>                    | the universe  |
| <b>C</b>                    | the restless spirit   |
| <b>D</b>                    | human curiosity   |
| <b>E</b>                    | None of the above   |
| <b>Correct Answer</b>       | D   |
| <b>Marks</b>                | 1   |



55

**Comprehension**

Read the Passage Below and answer the following questions:

From the very beginning man has attempted what has seemed impossible. Man is different from the rest of the creation in this respect. He has an eternal thirst for adventure. This has led to countless new discoveries and inventions. Human curiosity is limitless. This has led to space flights and moon landings. The desire to know what is beyond the visible world takes many forms. The Everest hero Tenzing and the hero of the 'Seven Seas', Mihir Sen, were inspired by the same restless spirit. Astronauts Armstrong, Collins and Aldrin, who were the first humans to set foot on the soil of the moon, have proved beyond doubt that man shall not rest until he has conquered the entire universe. But, is it enough to know and master nature? Which is more important: knowing and understanding the world around or knowing and understanding yourself? In the absence of self-knowledge, the most advanced knowledge of the universe is not only useless but dangerous.

**Question Description**

From the options provided, select the antonym of the word "restless", in the sense implied in the passage

**A**

peace loving

**B**

calm

**C**

contentious

**D**

eager

**E**

None of the above

**Correct Answer**

B

**Marks**

1

|    |                             |   |
|----|-----------------------------|---|
| 56 | <b>Question Description</b> | Maruti Suzuki Installs Asia's largest 20 MWp carport type Solar Plant at which state? |
|    | <b>A</b>                    | Haryana   |
|    | <b>B</b>                    | Maharashtra   |
|    | <b>C</b>                    | Rajasthan   |
|    | <b>D</b>                    | Punjab  |
|    | <b>E</b>                    | None of the above   |
|    | <b>Correct Answer</b>       | A   |
|    | <b>Marks</b>                | 1   |
| 57 | <b>Question Description</b> | What is the name of the eBook launched by the Income Tax Department?                  |
|    | <b>A</b>                    | Amrutwani   |
|    | <b>B</b>                    | Pratidhwani   |
|    | <b>C</b>                    | Aatmnirbhar   |
|    | <b>D</b>                    | Kiyaverse   |
|    | <b>E</b>                    | None of the above   |
|    | <b>Correct Answer</b>       | B   |
|    | <b>Marks</b>                | 1   |

|    |                             |   |
|----|-----------------------------|---|
| 58 | <b>Question Description</b> | Baikho festival is celebrated in which state? |
|    | <b>A</b>                    | Manipur                                       |
|    | <b>B</b>                    | Nagaland                                      |
|    | <b>C</b>                    | Tripura                                       |
|    | <b>D</b>                    | Assam   |
|    | <b>E</b>                    | None of the above                             |
|    | <b>Correct Answer</b>       | D   |
|    | <b>Marks</b>                | 1   |

|    |                             |   |
|----|-----------------------------|---|
| 59 | <b>Question Description</b> | World Veterinary Day is being celebrated on which date? |
|    | <b>A</b>                    | April 29  |
|    | <b>B</b>                    | April 28  |
|    | <b>C</b>                    | April 30  |
|    | <b>D</b>                    | April 27  |
|    | <b>E</b>                    | None of the above                                       |
|    | <b>Correct Answer</b>       | C   |
|    | <b>Marks</b>                | 1   |

|    |                             |  |
|----|-----------------------------|--|
| 60 | <b>Question Description</b> | India has recently launched its first COVID-19 vaccine for animals. What is the name of vaccine? |
|    | <b>A</b>                    | Petcovax   |
|    | <b>B</b>                    | Anocovax   |
|    | <b>C</b>                    | Creacovax  |
|    | <b>D</b>                    | Armacovax  |
|    | <b>E</b>                    | None of the above  |
|    | <b>Correct Answer</b>       | B  |
|    | <b>Marks</b>                | 1  |

|    |                             |   |
|----|-----------------------------|---|
| 61 | <b>Question Description</b> | Who among the following has recently been appointed ambassador of Indo-UK culture platform? |
|    | <b>A</b>                    | Sonu Nigam  |
|    | <b>B</b>                    | Arijit Singh  |
|    | <b>C</b>                    | Shankar Mahadevan   |
|    | <b>D</b>                    | AR Rahman   |
|    | <b>E</b>                    | None of the above   |
|    | <b>Correct Answer</b>       | D   |
|    | <b>Marks</b>                | 1   |

62

|                             |  |
|-----------------------------|--|
| <b>Question Description</b> | The world's first wildlife conservation bond Has been issued by the World Bank for which animal? |
| <b>A</b>                    | White elephant   |
| <b>B</b>                    | Black Rhinoceros   |
| <b>C</b>                    | Asiatic Lion   |
| <b>D</b>                    | Bengal Tiger   |
| <b>E</b>                    | None of the above  |
| <b>Correct Answer</b>       | B  |
| <b>Marks</b>                | 1  |

63

|                             |  |
|-----------------------------|--|
| <b>Question Description</b> | Tap to pay for UPI' is a new functionality launched by which platform? |
| <b>A</b>                    | Google Pay   |
| <b>B</b>                    | PhonePe  |
| <b>C</b>                    | BHIM App   |
| <b>D</b>                    | Paytm  |
| <b>E</b>                    | None of the above  |
| <b>Correct Answer</b>       | A  |
| <b>Marks</b>                | 1  |

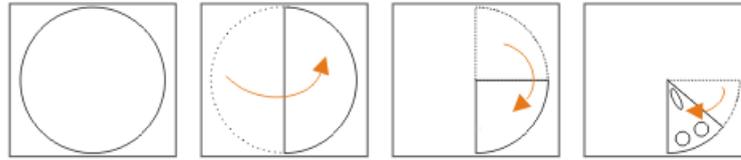
|    |                             |   |
|----|-----------------------------|---|
| 64 | <b>Question Description</b> | Who was the first Indian Chief of Army Staff of the Indian Army ? |
|    | <b>A</b>                    | Gen. K.M. Cariappa  |
|    | <b>B</b>                    | Vice-Admiral R.D. Katari  |
|    | <b>C</b>                    | Gen. Maharaja Rajendra Singhji                                    |
|    | <b>D</b>                    | Gen. Vishit Singh   |
|    | <b>E</b>                    | None of the above   |
|    | <b>Correct Answer</b>       | A   |
|    | <b>Marks</b>                | 1   |

|    |                             |  |
|----|-----------------------------|--|
| 65 | <b>Question Description</b> | B. C. Roy Award is given in the field of |
|    | <b>A</b>                    | Music                                    |
|    | <b>B</b>                    | Journalism                               |
|    | <b>C</b>                    | Medicine                                 |
|    | <b>D</b>                    | Environment                              |
|    | <b>E</b>                    | None of the above                        |
|    | <b>Correct Answer</b>       | C  |
|    | <b>Marks</b>                | 1  |

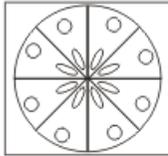
66

**Question Description**

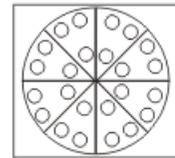
In the question, a piece of paper is folded and cut as shown below in the questions figures. From the given option figures, which one indicates how it will appear when opened.



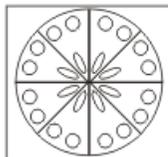
**A**



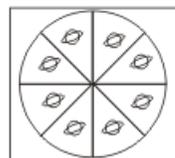
**B**



**C**



**D**



**A**

A

**B**

B

**C**

C

|    |                             |   |
|----|-----------------------------|---|
|    | <b>D</b>                    | D   |
| 67 | <b>E</b>                    | None of the above   |
|    | <b>Question Description</b> | January 1, 2008 is Tuesday. What day of the week lies on Jan 1, 2009? |
|    | <b>Correct Answer</b>       | C   |
|    | <b>A</b>                    | Monday  |
|    | <b>Marks</b>                | 1   |
|    | <b>B</b>                    | Wednesday   |
|    | <b>C</b>                    | Thursday  |
|    | <b>D</b>                    | Sunday  |
|    | <b>E</b>                    | None of the above   |
|    | <b>Correct Answer</b>       | C   |
|    | <b>Marks</b>                | 1   |

68

**Question Description**

Read the following information carefully and answer the questions given beside.

Certain number of persons is standing in a linear row facing towards the north. Information about few of them is given here. T stands third to the left of G, who is sixth to the right of A. 7 persons stand between B and T, where T is somewhere to the left of B. 3 persons stand between D and B, who is second to the left of the one who is fourth from the right end. Only 4 persons stand between U and C. 3 persons stand to the right of C, which is half the number of persons standing to the left of T.

**What is the position of T with respect to U?**

**A** 2nd to the right

**B** 7th to the left

**C** 5th to the left

**D** 3rd to the left

**E** None of the above

**Correct Answer** C

**Marks** 1

69

**Question Description**

Following questions are based upon the word series given below.

DEN, RAT, EAR, OWL, CUB

If all the letters in all the words are arranged in reverse alphabetical order(within the word), then which of the following words can be formed using first letter of first word from left end, second letter of second word from right end and first letter of second word from left end?

**A**

BOT

**B**

ATN

**C**

NOT

**D**

TEN

**E**

None of the above

**Correct Answer**

C

**Marks**

1

|    |                             |  |
|----|-----------------------------|--|
| 70 | <b>Question Description</b> | Direction: In each of the following question, there is a certain relationship between two given pair on both side of '::' . One word is given on another side of '::' while another word is to be found from the given options, having the same relation with this word as the words of the given pair . Choose the correct word from the following options.<br><br>Tectonics : Building : : Taxidermy : ? |
|    | <b>A</b>                    | Classification   |
|    | <b>B</b>                    | Conserving   |
|    | <b>C</b>                    | Stuffing   |
|    | <b>D</b>                    | Collecting   |
|    | <b>E</b>                    | None of the above  |
|    | <b>Correct Answer</b>       | C  |
|    | <b>Marks</b>                | 1  |

|    |                             |  |
|----|-----------------------------|--|
| 71 | <b>Question Description</b> | On what dates of April, 2001 did Wednesday fall?   |
|    | <b>A</b>                    | 1 <sup>st</sup> , 8 <sup>th</sup> , 15 <sup>th</sup> , 22 <sup>nd</sup> , 29 <sup>th</sup> |
|    | <b>B</b>                    | 2 <sup>nd</sup> , 9 <sup>th</sup> , 16 <sup>th</sup> , 23 <sup>rd</sup> , 30 <sup>th</sup> |
|    | <b>C</b>                    | 3 <sup>rd</sup> , 10 <sup>th</sup> , 17 <sup>th</sup> , 24 <sup>th</sup>                   |
|    | <b>D</b>                    | 4 <sup>th</sup> , 11 <sup>th</sup> , 18 <sup>th</sup> , 25 <sup>th</sup>                   |
|    | <b>E</b>                    | None of the above  |
|    | <b>Correct Answer</b>       | D  |
|    | <b>Marks</b>                | 1  |

72

**Question Description**

In a family of 7 persons, there are only 3 females and three married couples. Each child has both the parents alive. The family members – A,B,C,D,E,F and G spent certain amounts in a month.

B is the only son of G, who spent the third highest amount. A is not a female and spent an amount just lower than D's husband. C is the father of two children of different genders one of them is D. E's mother-in-law was the third highest spender. F is the aunt of A and spent the highest amount. The spendings of E were just lower than A's uncle, who spent the fourth highest amount. C spent Rs. 4500, which is the second highest amount to be spent.

How is the second highest spender related to the second lowest spender?

**A**

Father

**B**

Maternal grandfather

**C**

Paternal Uncle

**D**

Can't be determined

**E**

None of the above

**Correct Answer**

B

**Marks**

1

73

**Question Description**

Find out the wrong number in the given sequence of numbers.

105, 85, 60, 30, 0, -45, -90

**A**

0

**B**

85

**C**

-45

**D**

60

**E**

None of the above

**Correct Answer**

A

**Marks**

1

74

**Question Description**

A train can travel 50% faster than a car. Both start from point A at the same time and reach point B 75 kms away from A at the same time. On the way, however, the train lost about 12.5 minutes while stopping at the stations. The speed of the car is:

**A**

100 kmph

**B**

110 kmph

**C**

120 kmph

**D**

130 kmph

**E**

None of the above

**Correct Answer**

C

**Marks**

1

75

**Question Description**

Find the missing Numbers.

|           |           |           |           |
|-----------|-----------|-----------|-----------|
| <b>38</b> | <b>54</b> | <b>61</b> | <b>79</b> |
| <b>21</b> | <b>?</b>  | <b>12</b> | <b>24</b> |
| <b>19</b> | <b>09</b> | <b>14</b> | <b>?</b>  |

**A**

18, 46

**B**

28, 51

**C**

42, 62

**D**

18, 44

**E**

None of the above

**Correct Answer**

D

**Marks**

1