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M.A ECONOMICS

Faculty of Social Sciences
Department of Economics
AMU, Aligarh

2016-2017
Admission Test
M.A. Economics

Duration: 02 hours

M.M.:200

A: Particulars to be filled in by the candidate:	
1. Name of the Centre	Arts Building (111)
2. Room Number	18
3. Date of Test	09.06.2016 (02PM – 04PM)
4. Roll Number (in figures)	161206
5. Roll Number (in words)	
6. Name of the Candidate	
7. Name of Candidate's Father	
Signature of the Invigilator	<i>Mantek</i>

B. Instructions to candidates:

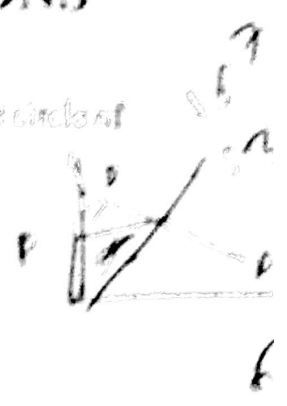
1. This paper consists of 9 pages excluding the cover page. Count the pages before answering the questions.
2. The question paper is divided into two parts -Part A and Part B. Part A contains seventy (70) objective type questions of two (02) marks each. Each question is followed by four alternative answers marked as (a), (b), (c) and (d). Select one of the answers which you consider as most appropriate and mark in the answer sheet provided (OMR), as per the instructions. **Each wrong answer will carry 25 per cent negative marking.** Part B consist ten (10) short answer questions of six (06) marks each. The answer is to be written in the Answer Book provided.
3. All questions in both the parts are compulsory.
4. Do not put any mark of identification in any part of the question booklet.
5. The question booklet along with the answer sheet must be handed over to the invigilator before leaving the examination hall. No leaf should be torn off from the question booklet.
6. No request for re-evaluation/re-checking of answer will be entertained.
7. Candidate resorting to unfair means in the test shall be dealt with as per the university rules.

Signature of the candidate

PART – A (OBJECTIVE TYPE QUESTIONS)

Note: All questions are compulsory and carry two marks each. Mark the correct answer in the answer sheet (OMR) provided.

- 1) Producer surplus is the area
(a) below the supply curve and above the price
(b) below the demand curve and above the price
(c) above the demand curve and below the price
(d) above the supply curve and below the price ✓
- 2) If an individual who cannot find a job because his or her job skills have become obsolete, this is an example of
(a) Frictional unemployment ✓
(b) Structural unemployment
(c) Cyclical unemployment
(d) Seasonal unemployment
- 3) Regional rural Banks are managed by
(a) Reserve Bank of India
(b) The State Government ✓
(c) All of these
(d) A board of directors
- 4) The terms TRIPS and TRIMS are related to
(a) NAFTA
(b) SAPTA
(c) EFTA
(d) GATT
- 5) Which of the following items has maximum weight in wholesale price index in India?
(a) Food items
(b) Fuel and Power
(c) Manufactured products ✓
(d) Primary articles
- 6) Which one of the following committees recommended the abolition of reservation of items of small scale sector in industry?
(a) Abid Hussain Committee ✓
(b) Narsimham Committee
(c) Nayak Committee
(d) Rakesh Mohan Committee
- 7) For how many crops, Minimum Support Prices are announced in India?
(a) 20
(b) 24
(c) 25
(d) 28
- 8) Two commodities are considered to be perfect substitutes for each other if the elasticity of substitution is
(a) positive ✓
(b) negative
(c) zero
(d) infinite



- 9 Discriminating Monopoly is possible if two markets have
 (a) rising cost curve ✓
 (b) rising and declining cost curve
 (c) different elasticities
 (d) equal elasticities
- 10 Human Development Reports are prepared by
 (a) ILO
 (b) IMF
 (c) UNDP ✓
 (d) UNO
- 11 Which of the following city was the summer capital of India during British Rule?
 (a) Shimla
 (b) Darjeeling
 (c) Kolkatta
 (d) Nainital
- 12 Which item from list below is a positive externality?
 (a) Public Immunization
 (b) Traffic jams
 (c) A neighbor's barking dog
 (d) All Of the above
- 13 An indifference curve is convex to the origin because
 (a) It has a negative slope
 (b) Two goods are perfect substitutes ✓
 (c) MRS decreases all along the curve
 (d) MU of money decreases
- 14 For a firm the 'shut-down' point falls
 (a) Where $SMC = SAVC = P$ ✓
 (b) Where $SMC = SAC$
 (c) Where $SAC = SAVC$
 (d) Any where below SAC
- 15 If a quadratic equation has one real root then
 (a) $b^2 - 4ac > 0$
 (b) $b^2 - 4ac < 0$
 (c) $b^2 - 4ac = 0$
 (d) $b^2 - 4ac$ is not related to the equation ✓
- 16 In a frequency distribution if each item is multiplied by 5, the coefficient of variation will
 (a) remain unchanged ✓
 (b) be multiplied by 5
 (c) be multiplied by 25
 (d) be multiplied by 1/5
- 17 Hicks theory of trade cycles is based on
 (a) Interaction of saving and investment
 (b) Price fluctuations ✓
 (c) Investment in trade
 (d) Interaction of multiplier and accelerator

- 18 According to Keynes,
 (a) Transaction demand for money will increase when rate of interest falls
 (b) Speculative demand for money will decrease when rate of interest increases ✓
 (c) Precautionary demand for money will increase when rate of interest falls ✓
 (d) The relation between bond price and rate of interest is positive
- 19 Credit multiplier is
 (a) $1/CRR$ ✓
 (b) Cash/CRR
 (c) Cash \times CRR
 (d) SLR \times CRR
- Where CRR is cash reserve ratio and SLR is statutory liquid ratio
- 20 The value of mode is 25.5 and median is 16.5 of a series. The value of arithmetic mean is
 (a) 13.5
 (b) 18.5
 (c) 12.5
 (d) 12.0 ✓
- 21 Lower turning point in the business cycle is known as
 (a) recession ✓
 (b) expansion
 (c) downswing
 (d) recovery
- 22 Finance commission is appointed by the President under the article
 (a) 256 of constitution
 (b) 280 of constitution ✓
 (c) 293 of constitution
 (d) 356 of constitution
- 23 Which is the first Export Processing Zone declared as Free Trade Zone in India?
 (a) Santa Cruz ✓
 (b) Kandla
 (c) Falta
 (d) NOIDA
- 24 Which of the utility approach is used by the indifference curve?
 (a) Cardinal approach
 (b) Ordinal approach ✓
 (c) Market basket approach
 (d) Utils
- 25 Autonomous consumption is
 (a) A function of disposable income
 (b) A function of national income
 (c) Independent of the level of income ✓
 (d) A function of saving
- 26 The owner of a pizza chain decides to purchase a new Rs.10,000 pizza oven, paying for it by taking Rs.10,000 out of the savings account of the bank. This is the example of
 (a) Consumption ✓
 (b) Investment
 (c) Dissaving
 (d) None of the above

$$\text{Mode} = 3M - 2M_{\text{med}}$$

$$25.5 = 3 \times 16.5 - 2M_{\text{ar}}$$

$$\begin{array}{r} 16.5 \\ 3 \\ \hline 49.5 \\ 25.5 \\ \hline 24 \\ 2 \end{array}$$



- 27 If the Reserve Bank of India wants to drain reserves from the banking system, it will
(a) Purchase government securities
(b) Raise reserve requirements
(c) Lower the discount rate
(d) Sell government securities ✓
- 28 GNP gap refers to the difference between
(a) maximum and minimum GNP recorded during last five years
(b) GNP at factor cost and GNP at market price
(c) GNP at current price and GNP at constant price of same base year
(d) Potential GNP and actual GNP ✓
- 29 If president, Republic of India decides to resign, whom he/she will address the resignation letter to?
(a) Vice President (b) Prime Minister
(c) Chief Justice of India (d) Speaker, Lok Sabha
- 30 The Ozone layer depletion is caused by
(a) Nitrous oxide
(b) Carbon dioxide
(c) Chlorofluorocarbons ✓
(d) Methane
- 31 The scarcity definition of economics is given by
(a) Adam Smith (b) Marshall
(c) Robbins (d) Robertson ✓
- 32 The expansion path of production theory is analogous in consumption theory to the
(a) Price consumption curve
(b) Income consumption curve
(c) Engel curve
(d) budget-constraint line
- 33 If $P = \text{Rs. } 10/-$ at the point on the demand curve where $ed = 0.5$, MR is
(a) Rs. 5.00 (b) Rs. 50.00
(c) Rs. 1.00 (d) Rs. 10.00
- 34 The National Food Security Mission (NFSM) in India was launched in
(a) 2005-06
(b) 2006-07
(c) 2007-08
(d) 2008-09
- 35 According to the Joan Robinson, if all the factors are perfectly divisible then there must exist
(a) increasing returns to scale
(b) decreasing returns to scale
(c) constant returns to scale
(d) first increasing and then decreasing return to scale
- 36 In which year SAARC was formed?
(a) 1983 (b) 1984
(c) 1985 (d) 1986
- 37 Exporters can reduce their risk by
(a) hedging ✓
(b) arbitrage
(c) speculation
(d) none of the above

- 38 Importance of externality in economic development was introduced by
(a) Scitovsky (b) Ragnar Nurkse
(c) J.E. Meades (d) Hirschman
- 39 If a boy cycles 8 km at the speed of 8 km per hour, and walks another 8 km at the speed of 2 km per hour. His average speed per hour is
(a) 5 km (b) $16/5$ km
(c) 6 km (d) 4 km
- 40 Concept of disguised unemployment was introduced by
(a) S. Kuznets
(b) J.K. Galbraith
(c) R. Nurkse
(d) Maurice Alas
- 41 The book "Third World" was written by
(a) J.K. Galbraith
(b) Alvin Tofler
(c) J.E. Meades
(d) J.M. Keynes
- 42 Which one of the following statistical measures is based on all observations?
(a) Quartile Deviation
(b) Harmonic Mean ✓
(c) Range
(d) Mode
- 43 Which of the following day has been declared as Income Tax Day?
(a) July 18
(b) July 24
(c) August 16
(d) September 01
- 44 Kasturba Gandhi Education Scheme is related to
(a) Girl education ✓
(b) Adult education
(c) Child Labour education
(d) Tribal women (above 18 years)
- 45 Index "Residex" is associated with
(a) Share prices
(b) Mutual Fund Prices
(c) Price Inflation Index
(d) Land Prices
- 46 Restrictive trade practices are covered under
(a) FERA
(b) FEMA
(c) MRTP Act ✓
(d) Consumer Protection Act
- 47 India achieved full convertibility on current account on
(a) 1985
(b) 1989
(c) 1992
(d) 1994

- 48 An expenditure tax was proposed by
 (a) A.K. Sen
 (b) Richard Stone
 (c) N. Kaldor
 (d) J.S. Mill
- 49 BIMARU does not include
 (a) Bihar
 (b) Rajasthan ✓
 (c) Uttar Pradesh
 (d) Orissa ✓
- 50 Ayush is
 (a) Child development programmes
 (b) Integrated child development services
 (c) Development for Ayurveda, Unani, Homeopathy, Yoga and Naturopathy system
 (d) Reforestation programmes
- 51 Inflation is measured in India by
 (a) Consumer Price Index ✓
 (b) Wholesale Price Index
 (c) Retail Price Index
 (d) Producer Price Index
- 52 Who among the followings is the Brand Ambassador for "Nirmal Bharat Abhiyan"
 (a) Madhuri Dixit
 (b) Priyanka Chopra
 (c) Vidya Balan ✓
 (d) Deepika Padukon
- 53 Who explained the importance of time element in price determination, for the first time?
 (a) Chamberlin
 (b) Stigler
 (c) Mrs. Joan Robinson
 (d) Marshall ✓
- 54 When a consumer is in equilibrium, MRS_{XY} is 2.5. If the price of the commodity Y is 16, then what will be the price of commodity X?
 (a) 40
 (b) 6.4
 (c) 23.2
 (d) 24
- 55 Public goods are characterized by
 I. Collective consumption
 II. Divisibility
 III. Non-exclusion
 IV. Rival consumption
 Select the correct answer from the code given below
 (a) I&II are correct
 (b) I&III are correct
 (c) I&IV are correct ✓
 (d) II&IV are correct

$$16 + x = 2.5$$

56 Who formulated the 'People's Plan' for India in 1944?

- (a) J L Nehru
- (b) M N Roy
- (c) S C Bose
- (d) Mahatma Gandhi

57

Which one of the following are liabilities of commercial banks?

- I. Capital and reserves
- II. Cash and balances with RBI
- III. Investments
- IV. Borrowings

Codes

- (a) I and III
- (b) I and IV
- (c) I, II and III ✓
- (d) II, III and IV

58 An stable population is characterized by

- (a) Constant birth rate
- (b) Unchanging age structure
- (c) None of the above are true ✓
- (d) Both the above are true

59 Which of the following facts are correct about the Competition Commission of India?

- I. It was established in 2003
- II. It was established on the recommendations of Raghavan Committee

Codes

- (a) Both I and II are true ✓
- (b) Both I and II are not true
- (c) Only I is true
- (d) Only II is true

60 "Trickle down" strategy implies

- (a) growing GNP taking care of poverty
- (b) reduction in the income of the upper class by deliberate redistribution
- (c) direct achievement of better nourishment, health, education, etc. instead of growth of GNP first
- (d) to target a particular sector of economy for betterment

61 The state Govt. staff threatened to launch an indefinite strike from next month to their demands.

- (a) have, press
- (b) were, meet
- (c) did, get
- (d) have, get

62 The person refused to grovel the feet of his master.

- (a) about
- (b) on
- (c) by
- (d) at

63 I went to the shop some chocolate.

- (a) for buying ✓
- (b) for buy
- (c) to buy
- (d) buy

64. A person who looks at the world with pessimism is called a _____.
- philanthropist
 - philanthropist
 - pessimist
 - optimist
65. Choose the word which best expresses the meaning of the given word:
EMBEZZLE
- Misappropriate
 - Balance
 - Remunerate
 - Clear
66. Find the correctly spelt word.
- Treachrous
 - Tracherous
 - Trechearous
 - Treacherous
67. One who lives among strangers is known as
- Alien
 - Stoic
 - Rustic
 - Recluse
68. 'ABASE' means
- | | |
|------------|--------------|
| (a) Low | (b) Peaceful |
| (c) Humble | (d) Cruel |
69. Find the correctly spelt word.
- | | |
|-----------------|------------------|
| (a) Klaptomania | (b) Klepptomania |
| (c) Kleptomania | (d) Kleptmania |
70. A 'general negative statement' is
- | | |
|----------------|-----------------|
| (a) an opinion | (b) information |
| (c) advice | (d) prejudice ✓ |

PART – B (SHORT ANSWER QUESTIONS)

Note: All questions are compulsory and carry six (06) marks each.

1. Can a perfectly discriminating monopolist maximize profit along the inelastic portion of the demand curve? Why or Why not? ✓
 2. ✓ What is wage – employment paradox?
 3. ✓ What is Food Security? Mention some of the steps taken by Govt. in this regard.
 4. What are Non Performing Assets (NPAs)?
 5. Explain the concept of effective rate of protection.
 6. ✓ How far the prevalent paradigm of development is responsible for the 'global warming'? ✓
 7. ✓ What are the broad features of the proposed GST model? ✓ X (4) 3
 8. Calculate the price elasticity of demand for the demand function $PQ^N = B$.
 9. ✓ What is crowding out effect? ✓
 10. ✓ Outline the concept of Green GNP. ✓
- 80 7 2.6 50 43