Paper - II
Economics

Booklet Code

A

Test Booklet No.

SUBJECT CODE : 1 2

Roll No. :

(Figures as per admission card)

Roll No. (in words) : _____

_____

OMR Sheet No. :

Name and Signature of Invigilator/s

Signature : _____
Name   : _____

Time : 2 Hours

Maximum Marks : 200

Number of Pages in this Booklet : 24

Number of Questions in this Booklet : 100

Instructions for the Candidates

1. Write your roll number in the space provided on the top of this page.
2. This paper consists of hundred (100) multiple-choice type of questions.
3. At the commencement of examination, the test booklet will be given to you. In the first 5 minutes, you are requested **To Open the Booklet and Compulsorily Examine it as Below:**
   (i) To have access to the Test Booklet, tear off the paper seal on the edge of the cover page. Do not accept a booklet without sticker seal or open booklet.
   (ii) Tally the number of pages and number of questions in the booklet with the information printed on the cover page. Faulty booklets due to pages/questions missing or duplicate or not in serial order or any other discrepancy should be got replaced immediately by a correct booklet from the invigilator within the period of 5 minutes. Afterwards, neither the Test Booklet will be replaced nor any extra time will be given.
   (iii) After the verification is over, the Test Booklet Number should be entered in the OMR Sheet and the OMR Sheet Number should be entered on this Test Booklet.
4. Each item has four alternative responses marked (A), (B), (C) and (D). You have to darken the circle as indicated below on the correct response against each item.
   Example : Ⓐ   Ⓑ   ●   Ⓓ
   where (C) is the correct response.
5. Your responses to the questions are to be indicated in the **OMR Sheet kept inside this Booklet**. If you mark at any place other than in the circles, the OMR Sheet will not be evaluated.
6. Read the instructions given in OMR Sheet carefully. Fill the Booklet Code of Paper-II in OMR Sheet **Compulsorily**.
7. Rough Work is to be done in the end of this booklet.
8. If you write your name or put any mark on any part of the OMR Answer Sheet, except for the space provided for the relevant entries, which may disclose your identity, you will render yourself liable to disqualification.
9. You have to return the OMR answer Sheet to the invigilators at the end of the examination compulsorily and must NOT carry it with you outside the Examination Hall.
10. You can take away test booklet and carbon copy of OMR Answer Sheet after the examination.
11. **Use only Blue/Black Ball point pen.**
12. **Use of any calculator, electronic gadgets or log table, etc. is prohibited.**
13. **There is no negative mark for incorrect answer.**

12-A   1   **P.T.O.**

1. As per the Rational Expectations theory the Phillips Curve is Vertical in :

   (A) Only Short Run

   (B) Only Long Run

   (C) Both Short Run and Long Run

   (D) Neither Short Run nor Long Run

2. Which of the following statements is incorrect about Marginal Efficiency of Investment (MEI)?

   (A) The slope of MEI curve depends on series of annuities

   (B) The slope of MEI curve depends on slope of the supply curve of capital asset

   (C) MEI curve is steeper than Marginal Efficiency of Capital curve

   (D) None of the above

3. Which of the following statements about Real Business Cycle Theory is wrong?

   (A) It gives importance to supply side factors.

   (B) It integrates business cycles with economic growth.

   (C) It doesn't rule out the possibility of demand shock cycle

   (D) It was originally given by New Keynesian economists

4. The variable that links the market for goods and services and the market for real money balances in the IS-LM model is the :

   (A) Nominal Supply of Money

   (B) Rate of Interest

   (C) Consumption Function

   (D) Price Level

5. An increase in total production (real GDP) causes the demand for money to _____ and the interest rate to _____.

   (A) increase; increase

   (B) increase; decrease

   (C) decrease; decrease

   (D) decrease; increase

6. Suppose in the IS-LM framework the government wanted to lower interest rates and keep output the same. What should they choose?

   (A) The government should increase spending and the central bank should buy bonds.

   (B) The government should decrease spending and the central bank should buy bonds.

   (C) The government should increase spending and the central bank should sell bonds.

   (D) The government should decrease spending and the central bank should sell bonds.

7. Which of the following statements about the LM curve is correct?

   (A) The LM curve will be relatively steep if the interest elasticity of money demand is relatively low.

   (B) The LM curve will shift downward to the right with a decrease in the quantity of money.

   (C) The LM curve will shift upward to the right with a shift in the money demand function that increases the amount of money demanded.

   (D) All of the above are correct

8. The High Powered theory of Supply of Money can be presented using the following equation- where M = Supply of Money, H = High Powered Money, t = time deposit ratio, c = currency deposit ratio and r = reserve deposit ratio :

   (A) $M = H \dfrac{1+t}{\{c+r(1+t)\}}$

   (B) $M = H \dfrac{1+c}{\{c+r(1+t)\}}$

   (C) $M = H \dfrac{1+c}{\{c+t(1+r)\}}$

   (D) $M = H \dfrac{1-c}{\{c-r(1+t)\}}$

9. Which of the following statements about the Liquidity Aggregates introduced by Y. V. Reddy Committee is/are correct?

   (A) $L_1 = M_3 +$ All Deposits with the Post Office Saving Banks (Excluding National Saving Certificates)

   (B) $L_2 = L_1 +$ Fixed Deposits with Development Financial Institutions + Certificate of Deposits Issued by Development Financial Institutions.

   (C) $L_3 = L_2 +$ Public Deposits of NBFC

   (D) All of the above are correct

10. As per the Keynesian idea of Inflationary gap, there are some automatic stabilisers which work in the economy and tend to reduce the inflationary gap. These factors are called :

    (A) Pigou Effect

    (B) Tax and Transfer Payment Effect

    (C) Income Distribution Effect

    (D) All of these

11. Given c = currency deposit ratio, t = time deposit ratio and r = reserve deposit ratio, then money multiplier is given by :

    (A) $\dfrac{1+c}{\{c+r(1+t)\}}$

    (B) $\dfrac{1-c}{\{c+r(1+t)\}}$

    (C) $\dfrac{1+c}{\{c-r(1-t)\}}$

    (D) $\dfrac{1+c}{\{c-r(1+t)\}}$

12. The purchase of government bonds from the public in the open market by Reserve Bank of India will result into :

(A) Increase in the supply of money

(B) Increase in the interest rate

(C) Increase in the discount rate

(D) Decrease in the number of Reserve Bank notes in circulation

13. Which of the following statements is correct?

(i) Ordinary Money = Currency with the Public + Demand Deposits + Other Deposits with the RBI

(ii) High Powered Money = Currency with the Public +Cash Reserves of banks + Other deposits with the RBI.

(iii) The Third Working Group on Money Supply was headed by Y.V. Reddy

Codes :

(A) Only (i) and (ii)

(B) Only (i) and (iii)

(C) Only (ii) and (iii)

(D) (i), (ii) and (iii)

14. In India, NIFTY and SENSEX are calculated on the basis of :

(A) Market Capitalization

(B) Free-float Capitalization

(C) Authorized Share Capital of all listed companies

(D) Paid Up share Capital of all listed companies

15. An expansionary monetary policy may be frustrated if the:

(A) Investment-demand curve shifts to the left.

(B) Saving schedule shifts downward

(C) Demand-for-money curve shifts to the left.

(D) Investment-demand curve shifts to the right

16. In Kaldor's model the Coefficient of Sensitivity of Income Distribution indicates the change in profit to income ratio (P/Y) caused by a change in investment to income ratio (I/Y). Given S_p =marginal propensity to save of the profit-making class and S_w = the marginal propensity to save of the wage-earning class, this Coefficient of Sensitivity of Income Distribution is given by :

(A) $\dfrac{1}{\left(S_{p-}S_w\right)}$

(B) $\dfrac{S_w}{\left(S_{p-}S_w\right)}$

(C) $\dfrac{1}{\left(S_{w-}S_p\right)}$

(D) $\dfrac{S_p}{\left(S_{p-}S_w\right)}$

17. What is Solow residual?

(A) The difference between the golden rule level of consumption and the steady state level of consumption.

(B) The difference between the rate of growth of productivity and the rate of growth of inputs.

(C) The difference between the rate of growth of output and the rate of growth of inputs.

(D) The difference between the rate of growth of output and the rate of growth of savings.

18. In the Solow growth model with population growth and technological progress, the economy experiences a 2 percent "labour-augmenting technological progress" if :

(A) The economy and the population grows by 2 percent

(B) The economy does not grow while the population grows by 2 percent

(C) The population grows by 2 percent.

(D) The economy grows by 2 percent while the population stays the same

19. Paul Romer's notion of social returns to capital implies that :

(A) The contribution of any new knowledge will not just go to the producer of new knowledge but be shared by others as well

(B) New capital investments have a bigger impact on growth if the owners of capital share their newfound wealth with the poor

(C) Investment in real capital benefits society as a whole while investment in human capital only benefits those who invest in themselves

(D) Capital investments have a bigger impact on labor productivity than investment in human capital

20. Which of the following statements about Physical Quality of Life Index (PQLI) is not correct?

(A) PQLI gives no importance to income as an indicator of quality of life.

(B) PQLI was developed by Morris David Morris and his associates at the US Overseas Development Council

(C) PQLI assigns equal weight to all indicators on a scale of 0 to 100

(D) PQLI gives importance to quality of housing as an indicator of quality of life

21. Which of the following statements are true about Gini Coefficient?

(i) The Gini coefficient is equal to the area below the line of perfect equality minus the area below the Lorenz curve, divided by the area below the line of perfect equality.

(ii) Plotted as a Lorenz curve, complete equality would be a straight diagonal line with a slope of 1 (the area between this curve and itself is 0, so the Gini coefficient is 0).

(iii) A coefficient of 1 means that one person earns all of the income or holds all of the wealth.

(iv) In theory, the Gini coefficient can exceed 100% in extreme situations. For example, when handling negative wealth or income, the figure can theoretically be higher than 1; in that case, the Lorenz curve would dip below the horizontal axis.

Codes :

(A) Only (i), (ii) and (iii)

(B) Only (i), (iii) and (iv)

(C) Only (i), (ii) and (iv)

(D) All are correct

22. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R). Read the statements and choose the correct answer from the codes given below:

Assertion (A): Harrod's model though says that an economy may achieve steady state economic growth but claims that the growth is not going to be stable.

Reason (R): Harrod in his Growth model takes the assumption of a fixed saving coefficient and fixed coefficient production function of the type

$$Y = \min\left\{\frac{K}{v}, \frac{L}{u}\right\}$$

Where v=Capital Output ratio, u =Labour Output ratio, K =Capital, L =Labour and Y = Output

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

(B) Both (A) and (R) are true but (R) is not correct explanation of (A)

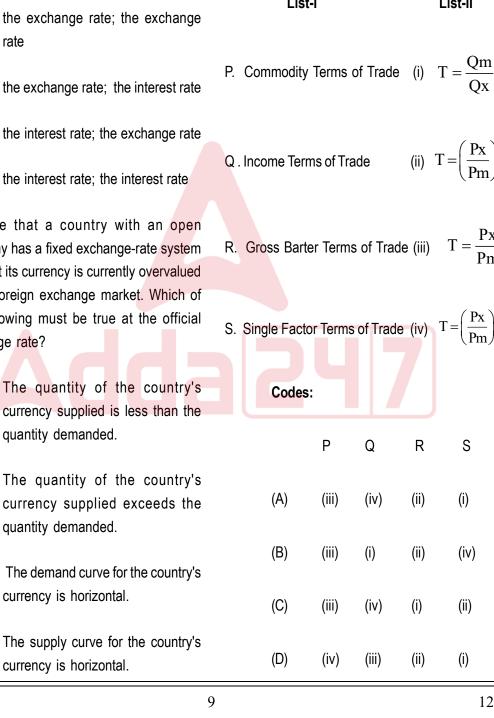(C) (A) is true, but (R) is false

(D) (A) is false, but (R) is true

23. Which of the following statement about Hicks' neutral technical progress are correct?

(i) It is both Labour and Capital augmenting

(ii) It is a technical change where the ratio of marginal product of capital to that of labour remains unchanged at constant capital labour ratio.

(iii) It is a technical progress in which the given factor proportions the average and marginal products of all factors increase in the same proportion

Codes :

(A) (i), and (iii)

(B) (ii) and (iii)

(C) (i) and (iv)

(D) (i) , (ii) and (iii)

24. An important dimension for the Multi-Dimensional Poverty Index is living standard. Which of the following groups correctly lists some of the sub indicators of living standard?

(A) Sanitation, drinking water, per capita income, electricity

(B) Sanitation, drinking water, cooking fuel, electricity

(C) Sanitation, drinking water, per capita income, assets

(D) Sanitation, drinking water, nutrition, housing

25. Which of the following are not an objectives of Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP)?

(A) Ensuring access to quality medicines of all sections of the population especially the poor and deprived.

(B) Create awareness about generic medicines through education and publicity

(C) Generate employment by engaging individual entrepreneurs in opening PMBJP.

(D) Produce cheap medicines in the country for the poor and deprived.

26. A fall in the value of the Rupee is likely to decrease spending on imports if:

(A) The price elasticity of demand for imports is price elastic

(B) The price elasticity of demand for imports is price inelastic

(C) The price elasticity of demand for imports has a unit price elasticity

(D) The price elasticity of demand for exports is price elastic

27. Under a fixed exchange rate system _____ would be an exogenous monetary policy instrument, whereas under a flexible exchange rate system _____ would be an endogenous monetary policy instrument.

(A) the exchange rate; the exchange rate

(B) the exchange rate; the interest rate

(C) the interest rate; the exchange rate

(D) the interest rate; the interest rate

28. Assume that a country with an open economy has a fixed exchange-rate system and that its currency is currently overvalued in the foreign exchange market. Which of the following must be true at the official exchange rate?

(A) The quantity of the country's currency supplied is less than the quantity demanded.

(B) The quantity of the country's currency supplied exceeds the quantity demanded.

(C) The demand curve for the country's currency is horizontal.

(D) The supply curve for the country's currency is horizontal.

29. Match the following where T =Terms of Trade of Particular type, Qm= Quantity of Imports, Qx =Total Quantity of exports, Pm =Price of Imports, Px=Price of exports and Fx =Index of productivity of export industry

List-I		List-II
P. Commodity Terms of Trade	(i)	$T = \dfrac{Qm}{Qx}$
Q. Income Terms of Trade	(ii)	$T = \left(\dfrac{Px}{Pm}\right)Fx$
R. Gross Barter Terms of Trade	(iii)	$T = \dfrac{Px}{Pm}$
S. Single Factor Terms of Trade	(iv)	$T = \left(\dfrac{Px}{Pm}\right)Qm$

Codes:

	P	Q	R	S
(A)	(iii)	(iv)	(ii)	(i)
(B)	(iii)	(i)	(ii)	(iv)
(C)	(iii)	(iv)	(i)	(ii)
(D)	(iv)	(iii)	(ii)	(i)

30. Which of the following is not true about the Regional Comprehensive Economic Partnership (RCEP)?

(A) It is a comprehensive free trade agreement being negotiated between ASEAN Member States and ASEAN's free trade agreement (FTA) partners viz. Australia, China etc.

(B) India has withdrawn from the Regional Comprehensive Economic Partnership (RCEP).

(C) RCEP covers a total gross domestic product (GDP) of around $38,813 billion or 45% of global GDP

(D) Five RCEP countries (Australia, China, Indonesia, Japan and South Korea) are members of the Group of 20 (G20).

31. Which of the following goods are non-rival and excludable?

(i) A congested road

(ii) Consumption of hamburgers

(iii) Consumption of flower garden, which has a ticket entry

(iv) Water pollution in a small lake

Choose the correct answer from the options given below :

(A) (i), (ii) and (iii) only

(B) (iii) and (iv) only

(C) (ii), (iii) and (iv) only

(D) All of the above

32. Which of the following is an example of pecuniary externality?

(A) Air pollution due to the production of steel

(B) Paper mill discharging wastewater in the river

(C) Production inefficiencies occurring

(D) Change in price due to actions of other

33. The Coal Question' was given by :

(A) Stuart Mill

(B) William Stanley Jevons

(C) J.K. Mehta

(D) Alfred Marshall

34. According to Ronald Coarse, which of the following statements is correct for pollution control?

(A) Providing property rights to polluters and pollutees

(B) Providing property rights to the legal institutions

(C) Providing property rights to the states

(D) Providing property rights to trade unions

35. Which of the following is not a basic requirement for a social choice mechanism, according to Kenneth Arrow?

(A) Transitivity

(B) Completeness

(C) Independence of irrelevant alternatives

(D) Dictatorship

36. Contingent Valuation Method (CVM) :
    (A) is used only for pollution
    (B) is only used for items having positive externality
    (C) is used for natural resources
    (D) is used for items under market failures

37. Assume that the aggregate demand has recently increased due to which aggregate output increased above the potential level and it has also increased the price level. Which of the following options should the government avoid if it wants to prevent any more price increases?
    (A) Simply wait for the labour market to return output to the potential level
    (B) Apply a contractionary fiscal policy
    (C) Inflation targeting
    (D) Apply a supply side policy to shift long-run aggregate supply curve to the right

38. Which of the following does not count as committed spending by Indian State Governments?
    (A) Administrative Services
    (B) Pension
    (C) Interest Payments
    (D) Capital Expenditures

39. Pure public goods are characterized by:
    (A) Non-rival consumption and excludability
    (B) Rival consumption and excludability
    (C) Non-rival consumption and non-excludability
    (D) Rival consumption and non-excludability

40. The Benefits Received Theory is often used to justify taxes on :
    (A) Luxury goods and services.
    (B) User fees for public goods and services.
    (C) Social welfare programs and healthcare services.
    (D) Corporate profits and capital gains

41. Consider the following:
    (i) Fringe Benefits Tax
    (ii) Capital gains tax
    (iii) Securities Transaction Tax
    Which of the above is/are Direct Tax/Taxes? Choose the correct answer from the code given below:
    (A) (i), (ii) and (iii)
    (B) (i) and (iii)
    (C) Only (i)
    (D) (i) and (ii)

42. The following are some of the consequences of the parallel economy in India:
    i. Increasing the burden on honest taxpayers
    ii. Revenue loss for the government
    iii. Promotion of non-essential conspicuous consumption products.
    iv. Leads to a fairer distribution of wealth and income.
    Find the correct combination from the codes given below:
    (A) (i), (ii) and (iii)
    (B) (i) and (iv)
    (C) (iii) and (iv)
    (D) (ii), (iii) and (iv)

43. When the proportion of indirect taxes in total tax revenue is very high, it leads to :
    i. Higher tax burden on the rich
    ii. Higher tax burden on the poor
    iii. Rise in the price level
    iv. Fall in tax revenues
    Select the correct answer from the codes given below:
    (A) (i) and (iv) are correct
    (B) (ii) and (iii) are correct
    (C) (i) and (iii) are correct
    (D) (ii), (iii) and (iv) are correct

44. Public borrowings will result in the Crowding-in effect in the economy, when Government finance spending is on :
    i. Infrastructure
    ii. Health and education
    iii. Wages and salaries
    iv. Skill development
    Select the correct answer from the codes given below:
    (A) (i) and (iii)
    (B) (i), (ii) and (iii)
    (C) (i), (ii), (iii) and (iv)
    (D) (i), (ii) and (iv)

45. What is the share of agriculture in Jammu and Kashmir GSVA in the year 2022-2023?
    (A) 18.40 %   (B) 17.52 %
    (C) 16.91 %   (D) 15 %

46. By which year 100% genetic upgradation of cattle and buffalo is to be achieved in Jammu and Kashmir?
    (A) 2024   (B) 2025
    (C) 2030   (D) 2035

47. With respect to Jammu and Kashmir Industrial Land Allotment policy 2021-2030 :
    (i) Initially, the land will be allotted for a period of 40 years.
    (ii) An allottee must pay a 50% land premium within 60 days from the date of issuance of the allotment letter.
    Choose the correct option :
    (A) Both (i) and (ii)
    (B) Only (i)
    (C) Only (ii)
    (D) Neither (i) nor (ii)

48. Consider the following statements with respect to road infrastructure in the Jammu and Kashmir,
    (i) Jammu and Kashmir ranked 3rd in the year 2021-22 in terms of road length constructed.
    (ii) HamariSadak Mobile App was launched to get direct feedback from the people.
    Choose the correct option :
    (A) Only (i)
    (B) Only (ii)
    (C) Both (i) and (ii)
    (D) Neither (i) nor (ii)

49. What percentage of the annual credit plan for the year 2022-23 is targeted for the priority sector in Jammu and Kashmir?
    (A) 58.34%
    (B) 79.43%
    (C) 25.30%
    (D) 10.24%

50. Which among the following is the major aim of the "Perform Achieve Trade (PAT)" scheme?

    (A) To improve export of agriculture products.

    (B) To reduce energy consumption in energy intensive industries.

    (C) To minimise the greenhouse gas emission.

    (D) To reduce the energy wastage in industries.

51. With reference to SDGs, which of the following statements is/are correct?

    (i) The Global Goals are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

    (ii) The 2030 Agenda for Sustainable Development was adopted by all United Nations Member States in 2015.

Select the correct answer using the codes given below :

    (A) Only (i)

    (B) Only (ii)

    (C) Both (i) and (ii)

    (D) Neither (i) nor (ii)

52. Which of the following are the pillars of PM Gati Shakti Scheme?

    (i) Connectivity

    (ii) Comprehensiveness

    (iii) Optimization

    (iv) Reaching the last mile

    (v) Dynamic

Choose the correct answer using the codes given below :

    (A) (i), (ii) and (iii)

    (B) (ii), (iv) and (v)

    (C) (i), (iii) and (iv)

    (D) (ii), (iii) and (v)

53. Arrange the following schemes launched in India in chronological order ;

    (i) Pradhan Mantri Jan Aushadhi Yojana

    (ii) Pradhan Mantri Ujjwala Yojana

    (iii) Atal Pension Yojana

    (iv) PM Jan Dhan Yojana

    (v) Ayushman Bharat Yojana

Choose the correct answer from the options given below:

    (A) (iii), (ii), (i), (iv), (v)

    (B) (iii), (iv), (ii), (i), (v)

    (C) (iv), (i), (ii), (iii), (v)

    (D) (iv), (iii), (i), (ii), (v)

54. Which of the following statements is correct about G20?

    (A) The Presidency of G20 is supported by a "troika" made up of the current, immediate past, and future host countries

    (B) The G20 has a permanent secretariat

    (C) In 2015, the G20 Presidency was held by China

    (D) The G20 Presidency rotates every two years.

55. The Multi-dimensional Poverty Index covers which of the following?

    (i) Deprivation of education, health, assets, and services at the household level

    (ii) Purchasing power parity at the national level

    (iii) Extent of the budget deficit and GDP growth rate at the national level

Select the correct answer using the codes given below:

    (A) Only (i)

    (B) Only (ii) and (iii)

    (C) Only (i) and (iii)

    (D) (i), (ii) and (iii)

56. Which of the following are among the Seven Priorities (Saptarishi) of the Union Budget 2023-24?

(i) Inclusive development
(ii) PM Gati Shakti
(iii) Infrastructure and Investment
(iv) Unleashing the Potential
(v) Financing of Investments
(vi) Green growth

Select the correct answer using the codes given below:

(A) (i), (ii), (iv), (v), (vi)
(B) (i), (ii), (iii), (iv)
(C) (i), (ii), (iii), (iv), (v), (vi)
(D) (i), (iii), (iv), (v), (vi)

57. Which of the following is/are correct regarding the National Green Hydrogen Mission?

(i) It was launched on 4th January 2023.
(ii) The total outlay of this mission is ₹ 19,744 crore.
(iii) Achievement of Mission targets is expected to reduce a cumulative ₹ 1 lakh crore worth of fossil fuel imports by 2047.
(iv) Nearly 100 MMT per annum of CO_2 emissions are expected to be averted through the production and use of the targeted quantum of Green Hydrogen.

Select the correct answer using the codes below-

(A) Only (i) and (ii)
(B) Only (ii) and (iii)
(C) (i), (ii) and (iv)
(D) Only (iii) and (iv)

58. The conference on "Financial Reporting and Governance Framework-Building Trust" was organised by :

(A) Securities and Exchange Board of India
(B) Confederation of Indian Industry
(C) NITI Aayog
(D) Bombay Stock Exchange

59. Which of the following statements is true about Index of Industrial Production?

(i) It is compiled quarterly.
(ii) CSO and MoSPI compile it.
(iii) Its base year is 2011-12.

Choose the correct option from below :

(A) (i), (ii) and (iii)
(B) Only (i)
(C) Only (ii) and (iii)
(D) Only (iii)

60. Consider the following statements about Shrinkflation:

(i) It is the practice of reducing the size of a product while maintaining its sticker price.
(ii) Shrinkflation makes it harder to measure price changes or inflation accurately.

Which of the statements given above is/are correct?

(A) Only (i)
(B) Only (ii)
(C) Both (i) and (ii)
(D) Neither (i) nor (ii)

61. With reference to Pradhan Mantri Shram Yogi Maan-dhan Yojana, consider the following statements.

(i) The entry age group is of 18-60 years.

(ii) Minimum assured pension is of Rs. 5000/- per month after attaining the age of 60 years.

Choose the correct option :

(A) Only (i)

(B) Only (ii)

(C) Both (i) and (ii)

(D) Neither (i) nor (ii)

62. Read the following statements regarding welfare gains due to trade:

(i) The gains from international trade can be split into two parts- one due to possibility of exchange and the other due to specialisation in production.

(ii) International trade always leads to increase in welfare gain.

(iii) There is welfare gain from international trade when income is redistributed optimally.

Which of the above statements are correct?

(A) (i) and (ii)

(B) (ii) and (iii)

(C) (i) and (iii)

(D) (i), (ii) and (iii)

63. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R). Read the statements and choose the correct answer from the code given below:

Assertion (A) : If factor prices don't change, the long-run average cost is constant in linearly homogenous production function.

Reason (R) : In linearly homogenous production function, the marginal product of a factor is the ratio between the quantity of two factors used.

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

(B) Both (A) and (R) are true but (R) is not correct explanation of (A)

(C) (A) is true, but (R) is false

(D) (A) is false, but (R) is true

64. Match List-I and List-II and select the correct answer from the codes given below :

List-I (International trade Theory)		List-II (Propounder)
P	Factor Abundance Theory	(i)	Raymond Vernon
Q	Imitation Gap Theory	(ii)	W.W. Leontief
R	Product Cycle Theory	(iii)	Heckscher-Ohlin
S	Factor Intensity Reversals	(iv)	M.V. Posner

Codes:

	P	Q	R	S
(A)	(i)	(iii)	(iv)	(ii)
(B)	(iv)	(i)	(ii)	(iii)
(C)	(ii)	(iv)	(iii)	(i)
(D)	(iii)	(iv)	(i)	(ii)

65. Read the following statements about intra-industry trade (IIT):

   (i) In perfectly matching IIT, the value of Balassa index is zero.

   (ii) In case of no IIT, the value of Grubel-Llyod index is zero.

   (iii) There is no categorical aggregation problem in the calculation of Grubel-Llyod index.

   Which of the above statements are correct?

   (A) (i) and (ii)

   (B) (i) and (iii)

   (C) (ii) and (iii)

   (D) (i), (ii) and (iii)

66. Read the following statements about customs union:

   (i) It is discriminatory.

   (ii) Tariff rate is lower within the union and differentiated tariff wall outside the union.

   (iii) This is based on the theory of the second best.

   Which of the above statements are correct?

   (A) (i) and (ii)

   (B) (i) and (iii)

   (C) (ii) and (iii)

   (D) (i), (ii) and (iii)

67. Which of the following may measure the degree of interdependence of firms?

   (A) Price cross elasticity of the products of any two firms.

   (B) Quantities cross elasticity of the products of any two firms.

   (C) Employment elasticity of the products of any two firms.

   (D) Factor use elasticity of the products of any two firms.

68. Match List-I and List-II and select the correct answer from the codes given below :

List-I	List-II
Shape of Indifference Curve	**Relationship between goods**
P Downward convex to the origin	(i) Perfect substitute goods
Q Downward concave to the origin	(ii) Increasing MRS between two goods
R Downward straight line	(iii) Perfect Complementary goods
S Right angled	(iv) Diminishing MRS between two goods

Codes:

	P	Q	R	S
(A)	(iv)	(ii)	(i)	(iii)
(B)	(ii)	(iv)	(i)	(iii)
(C)	(i)	(iii)	(ii)	(iv)
(D)	(iii)	(i)	(iv)	(ii)

69. Given below are two statements:

Statement-I: To increase welfare of poorer section of the society by certain fixed amount, food subsidy programme is costlier than supplementary income policy.

Statement-II: Food subsidy programme doesn't benefit the producers.

In light of the above statements, choose the most appropriate answer from the codes given below:

   (A) Both Statement I and Statement II are correct.

   (B) Both Statement I and Statement II are incorrect

   (C) Statement I is correct and Statement II is incorrect.

   (D) Statement I is incorrect and Statement II is correct.

70. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R). Read the statements and choose the correct answer from the code given below:

Assertion (A): The points of tangency of consecutive isocosts and isoquants determine the optimal expansion path.

Reason (R): The firms find the optimal expansion path in order to maximise its profits.

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

(B) Both (A) and (R) are true but (R) is not correct explanation of (A)

(C) (A) is true, but (R) is false

(D) (A) is false, but (R) is true

71. In the modern theory of cost, the level of utilisation of the plant that is considered as normal is known as:

(A) Reserve capacity

(B) Excess capacity

(C) The load factor

(D) The product factor

72. Given below are two statements:

Statement-I: In perfect competition, there is no rivalry among the firms.

Statement-II: An individual buyer or seller can influence the market under perfect competition.

In light of the above statements, choose the most appropriate answer from the codes given below:

(A) Both Statement I and Statement II are correct.

(B) Both Statement I and Statement II are incorrect.

(C) Statement I is correct and Statement II is incorrect.

(D) Statement I is incorrect and Statement II is correct.

73. The theory of games provide a better solution to which type of market structure?

(A) Oligopoly

(B) Perfect Competition

(C) Monopoly

(D) Discriminating Monopoly

74. Given below are two statements:

Statement-I: In the partial equilibrium approach, the decisions are being taken under the ceteris paribus assumption.

Statement-II: In the partial equilibrium approach, the economic system is treated as interdependent among each other.

In light of the above statements, choose the most appropriate answer from the codes given below:

(A) Both Statement I and Statement II are correct.

(B) Both Statement I and Statement II are incorrect

(C) Statement I is correct and Statement II is incorrect.

(D) Statement I is incorrect and Statement II is correct.

75. Match List-I and List-II and select the correct answer from the codes given below:

List-I (Equilibrium)	List-II (Condition)
P Unique, Stable	(i) Demand doesn't cut supply function
Q Unique, Unstable	(ii) Demand cuts supply function more than once
R Multiple equilibria	(iii) Demand cuts supply function from below
S No equilibrium exists	(iv) Demand cuts supply function from above

Codes:

	P	Q	R	S
(A)	(iii)	(ii)	(i)	(iv)
(B)	(iii)	(iv)	(i)	(ii)
(C)	(iv)	(iii)	(ii)	(i)
(D)	(iii)	(i)	(ii)	(iv)

76. Which of the following measures of central tendency is appropriate when distribution of data is J-shaped or reverse J-shaped?

(A) Median

(B) Mean

(C) Mode

(D) Geometric Mean

77. The mean and standard deviation (SD) of a variable 'X' are 15 and 5 respectively. What will be the value of mean and SD of 100–2X?

(A) 15 and 5 respectively.

(B) 70 and 10 respectively.

(C) 60 and 20 respectively.

(D) 75 and 20 respectively.

78. Which of the following is not true?

(A) The sign of correlation coefficient and regression coefficient are same

(B) The product of regression coefficient is equal to coefficient of determination

(C) The two regression coefficients cannot be greater than one simultaneously

(D) Regression coefficients are independent of origin and scale

79. Match List-I and List-II and select the correct answer from the codes given below:

List-I		List-II	
(Index Number)		**(Weight used)**	
P	Laspeyres quantity index	(i)	Current year quantity.
Q	Fisher price index	(ii)	Arithmetic Mean of base year and current year quantities.
R	Paasche price index	(iii)	Base year price.
S	Marshall-Edgeworth price index	(iv)	Geometric Mean of base year and current year quantities

Codes:

	P	Q	R	S
(A)	(iii)	(iv)	(i)	(ii)
(B)	(i)	(ii)	(iv)	(iii)
(C)	(iv)	(i)	(iii)	(ii)
(D)	(ii)	(iv)	(i)	(iii)

80. Read the following statements about matrix operation:

   (i) Addition of two matrices are possible only when they have same dimensions.

   (ii) Multiplication of two matrices are possible only when column dimension of lead matrix is equal to row dimension of lag matrix.

   (iii) If matrix A is of dimension m×n and matrix B is of dimension p×q and n=p, the order of AB matrix will be n×q.

   Which of the above statements are correct?

   (A) (i) and (ii)

   (B) (i) and (iii)

   (C) (ii) and (iii)

   (D) (i), (ii) and (iii)

81. Which of the following is not correctly matched rule for finding total differential of a function?

	Rule	Formula
(A)	Power function rule	$d(Cu^n)=cnu^{n-1}du$
(B)	Sum-difference rule	$d(u \pm v) = du \pm dv$
(C)	Product rule	$d(uv) = vdu + udv$
(D)	Quotient rule	$d(u/v) = 1/v^2\ (udv-vdu)$

82. Which of the following is true about the function:

   $C(Q) = aQ^2 + bQ + C + d/Q$

   (A) It is a cubic function.

   (B) It is a quadratic function.

   (C) It is a hyperbolic function.

   (D) It is a sum of quadratic and hyperbolic function.

83. The value of $\int_1^e \frac{(1+\ln x)}{x}dx$

   (A) 1/e   (B) 1

   (C) 3/2   (D) e–1

84. If marginal propensity to save function is given by $S'(Y) = 0.3 - 0.1\ Y^{-1/2}$ where 'Y' is the level of income. What will be the total saving function if aggregate saving is zero when Y = 81?

   (A) $S = -22.5 + 0.3\ Y - 0.2\ Y^{1/2}$

   (B) $S = 10 + 0.2\ Y - 0.45\ Y^{1/2}$

   (C) $S = -2.5 - 0.3\ Y + 0.2\ Y^{1/2}$

   (D) $S = -12.5 - 0.3\ Y + 0.24\ Y^{1/2}$

85. Given below are two statements:

Statement I: F–distribution is the ratio of two independent chi-squares.

Statement II: The t–distribution is symmetric around the origin with a shape similar to normal distribution.

In light of the above statements, choose the most appropriate answer from the codes given below:

(A) Both Statements I and II are correct.

(B) Statement I is correct and Statement II is incorrect

(C) Statement I is incorrect and Statement II is correct

(D) Both Statements I and II are incorrect

86. Which of the following is not true about coefficient of multiple determination?

(A) Its value lies between -1 to +1

(B) It is unit free

(C) It is a measure of goodness of fit

(D) The term doesn't apply for simple regression

87. In a simple regression equation, if explanatory variable is either stochastic or not distributed independently of the stochastic disturbance term, the ordinary least square estimators are:

(A) Only biased

(B) Only inconsistent

(C) Both biased and inconsistent

(D) Neither biased nor inconsistent

88. The short-run or impact multiplier are which of the following?

(A) Reduced form coefficients.

(B) Structural equation coefficients.

(C) First differenced simultaneous equation model

(D) Linear model

89. Given the probabilities P(A) = 0.5, P (B) =0.3 and P(AB) = 0.2; what will be the probability that 'A' occurs but not 'B'?

(A) 0.15 (B) 0.06

(C) 0.30 (D) 0.10

90. The maximum social welfare is attained at the point where:

(A) Highest social welfare curve is tangent to income line

(B) The grand utility – possibility curve is tangent to a social welfare curve

(C) Production possibility curve is tangent to highest isoquant curve

(D) The grand utility possibility curve is tangent to highest isoquant curve

91. Read the following statements and choose the correct one from the codes given below.

Statement – I: There are value judgements about equity or distributive justice in achieving point of constrained bliss.

Statement – II: The point of constrained bliss is a point where there is economic efficiency or pareto optimality.

Codes:

(A) Both Statements I and II are correct

(B) Statement I is correct and Statement II is incorrect

(C) Statement II is correct and Statement I is incorrect

(D) Both Statements I and II are incorrect

92. Read the following statements related to conditions for the achievement of Pareto efficiency.

I. There shouldn't be existence of imperfections in the market.

II. There shouldn't be the presence of externalities in production.

III. There shouldn't be externalities in consumption.

IV. The consumption of public goods are allowed.

Select the correct code:

(A) I and II

(B) II and III

(C) II, III and IV

(D) I, II and III

93. Endogenous growth theory predicts that countries will achieve higher economic growth rates if they manage to Level of income that :

(A) Lower their population growth

(B) Increase their savings rates

(C) Shield their industries from foreign competition

(D) All of the above

94. Which of the following is not a factor causing real business cycles?

(A) Unfavourable Development in the Physical Environment

(B) Significant Changes in Price of Energy such as Oil Price hike

(C) Productivity Shocks

(D) Sudden increase in supply of credit

95. What is the Per Capita Income of India as per the Union Budget 2023-24?

(A) ₹ 1.97 lakh

(B) ₹ 2.75 lakh

(C) ₹ 1.61 lakh

(D) ₹ 2.11 lakh

96. Which of the following town has been added to "Towns of Export Excellence (TEE)" under the Foreign Trade Policy–2023?

(A) Bhopal

(B) Thane

(C) Varanasi

(D) Jamnagar

97. Consider the following regarding Micro, Small & Medium Enterprises (MSME) Sector :

(i) The revised definition of MSMEs was brought in July 2020.

(ii) In the revised definition the investment limit in plant and machinery or equipment for small enterprises was ₹ 50 crores.

(iii) For medium enterprises, the turnover limit is ₹ 250 crores.

(iv) The investment in plant and machinery or equipment in micro enterprises is ₹ 10 crores.

Select the correct answer from the options given below :

(A) (i) and (ii) only

(B) (ii) and (iii) only

(C) (iii) and (iv) only

(D) (i) and (iii) only

Note: Read the following passage carefully and then answer question Nos. 98-100 based upon above passage.

In India, like most other countries, a large scale increase in GDP stood out to be the key driver of emissions–a stronger driver than the increase in population. Within the technology factor, India was able to reduce its energy intensity of GDP steadily overtime by bringing both structural changes in the economy and technological efficiency. The pace of decline in energy intensity took a leap in early 2000s. The decline has continued in the recent years as well. In contrast, the emission intensity of energy has increased, especially in the last decade (2011 onwards). Although overall emission intensity of GDP (product of energy intensity of GDP and carbon intensity of energy) has declined, further improvement is required to ensure a declining path of emissions in alignment with India's NDC. As maximum feasible expansion of GDP is necessary,

technology would have to play a key role in India's net zero transition. This would involve a combination of more efficient energy mix and technological advances in the industrial sector leading to lower emission intensity of GDP. Empirical evidence based on cross-country studies broadly suggests that an increase in the share of renewable energy in total energy consumption can have a significant impact in reducing GHG emissions provided the share of renewables in total energy consumption is sufficiently high (Chen et al., 2022; Hao, 2022). In the Indian context, based on the emission factors of different sources of energy obtained from the IPCC Emission Factor Database, it has been estimated that a one

percent increase in the share of renewable energy in the energy-mix reduces CO_2 emissions by around 0.63 percent. This contributes positively towards achieving the NDC target. Alternative scenarios relating to the future path of GHG emissions have been developed to measure the viability of achieving net zero emissions by 2070, while balancing the dual objectives of achieving high growth and mitigating climate risks.

98. In India which of the following factor is responsible for more emissions?

    (A) Population

    (B) Increase in income

    (C) Carbon emissions

    (D) Energy intensity

99. Which of the following would not be helpful in reducing emissions in India?

    (A) Structural changes in the Indian economy

    (B) Role of technology

    (C) Growing thrust on renewable energy

    (D) Higher energy intensity

100. In the Indian context, for 5 percent reduction in CO_2 emissions, how much increase in renewable energy is required?

    (A) 5 percent

    (B) 8 percent

    (C) 10 percent

    (D) 12 percent

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