

**10****WRITTEN TEST****Test Booklet No.****ECONOMICS**

Name of Applicant ..... Answer Sheet No. ....

Application ID : ..... Signature of Applicant : .....

Date of Examination: ..... Signature of the Invigilator(s)

1. ....

Time of Examination : ..... 2. ....

**Duration : 1 Hour]****[Maximum Marks : 50****IMPORTANT INSTRUCTIONS**

- (i) The question paper is in the form of Test-Booklet containing **50 (Fifty)** questions. All questions are compulsory. Each question carries four answers marked (A), (B), (C) and (D), out of which only one is correct.
- (ii) On receipt of the Test-Booklet (Question Paper), the candidate should immediately check it and ensure that it contains all the pages, i.e., **50** questions. Discrepancy, if any, should be reported by the candidate to the invigilator immediately after receiving the Test-Booklet.
- (iii) A separate Answer-Sheet is provided with the Test-Booklet/Question Paper. On this sheet there are **50** rows containing four circles each. One row pertains to one question.
- (iv) The candidate should write his/her Application number at the places provided on the cover page of the Test-Booklet/Question Paper and on the Answer-Sheet and **NOWHERE ELSE**.
- (v) No second Test-Booklet/Question Paper and Answer-Sheet will be given to a candidate. The candidates are advised to be careful in handling it and writing the answer on the Answer-Sheet.
- (vi) For every correct answer of the question **One (1) mark will be awarded**. For every unattempted question, Zero (0) mark shall be awarded. **There is no Negative Marking**.
- (vii) Marking shall be done only on the basis of answers responded on the Answer-Sheet.
- (viii) To mark the answer on the Answer-Sheet, candidate should **darken** the appropriate circle in the row of each question with Blue or Black pen.
- (ix) For each question only **one** circle should be **darkened** as a mark of the answer adopted by the candidate. If more than one circle for the question are found darkened or with one black circle any other circle carries any mark, the question will be treated as cancelled.
- (x) The candidates should not remove any paper from the Test-Booklet/Question Paper. Attempting to remove any paper shall be liable to be punished for use of unfair means.
- (xi) Rough work may be done on the blank space provided in the Test-Booklet/Question Paper only.
- (xii) *Mobile phones (even in Switch-off mode) and such other communication/programmable devices are not allowed inside the examination hall.*
- (xiii) No candidate shall be permitted to leave the examination hall before the expiry of the time.

**DO NOT OPEN THIS QUESTION BOOKLET UNTIL ASKED TO DO SO.**

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1. Break even, means
  - (A) Costs are more than revenue
  - (B) Revenues and cost are equal
  - (C) Revenues are more than cost
  - (D) None of the these
  
2. The first macro-environmental force that a business firm generally monitors is
  - (A) Economic environment
  - (B) Demographic environment
  - (C) Technological environment
  - (D) International Political environment
  
3. In which one of the following market situations the practice of price rigidity is found?
  - (A) Perfectly competitive market
  - (B) Monopolistic competitive market
  - (C) Oligopoly market
  - (D) Discriminating monopoly market
  
4. The third stage in the consumer buying decision process is
  - (A) Evaluation of alternatives
  - (B) Information search
  - (C) Purchase decision
  - (D) None of the these
  
5. Pricing decisions are most complex at which stage of the product life cycle?
  - (A) Decline stage
  - (B) Introductory stage
  - (C) Growth stage
  - (D) Maturity stage
  
6. What is not the advantage of SEZ?
  - (A) Improvement of infrastructure in the hinterland
  - (B) Diversion of large tracts of farm land
  - (C) Attracting foreign investment
  - (D) All the above
  
7. A graph of cumulative frequency distribution is called
  - (A) Frequency Polygon
  - (B) Frequency Curve
  - (C) Bar Chart
  - (D) Ogive
  
8. Which one is not the item of economic cost to the business?
  - (A) Owner supplied resources
  - (B) Market supplied resources
  - (C) Implicit costs
  - (D) Non-monetary opportunity costs of using owner supplied resources

9. In India, which pricing practice is not permissible?
- (A) Penetrating pricing  
 (B) Skimming pricing  
 (C) Predatory pricing  
 (D) None of the above
10. A \_\_\_\_\_ scale only assigns numbers to objects to classify objects according to the characteristic of interest
- (A) Ratio  
 (B) Ordinal  
 (C) Interval  
 (D) Nomina
11. The gross fiscal deficit is
- (A) Revenue expenditure less total revenue receipts  
 (B) Total expenditure less payment of interest  
 (C) Total borrowing less repayment of past debt  
 (D) Total expenditure less total revenue receipts
12. Risk in capital budgeting implies that the decision maker knows \_\_\_\_\_ of the cash flows.
- (A) Variability  
 (B) Certainty  
 (C) Probability  
 (D) None of these
13. Which of the following is an advantage of standard costing?
- (A) Measuring efficiency  
 (B) Facilitates cost control  
 (C) Determination of variance  
 (D) All of these
14. India is not associated with
- (A) SAARC  
 (B) NAFTA  
 (C) BRICS  
 (D) None of these
15. The licence necessary to obtain foreign exchange to pay for the imports, is called
- (A) Foreign exchange licence  
 (B) Import licence  
 (C) Quota licence  
 (D) None of these

16. Which one is not international Institution?
- (A) IMF  
(B) IDA  
(C) IBRD  
(D) TRAI
17. Relaxing the restrictions and controls imposed on Business and industry means
- (A) Liberalisation  
(B) Privatisation  
(C) Globalisation  
(D) None of the these
18. Nationalization of banks aimed at all of the following except
- (A) Removal of control by a few  
(B) Provision of control by a few  
(C) Provision of adequate credit for agriculture, small industry and export units  
(D) Encouragement of a new class of entrepreneur
19. Spearman's method is the method of calculating coefficient of correlation by
- (A) Irvin Fischer  
(B) Charles Spearman  
(C) Lorenz  
(D) Karl Pearson
20. Correlation between income and demand is
- (A) Negative  
(B) Positive  
(C) Zero  
(D) None of these
21. Stage of PLC
- (i) Introduction  
(ii) Growth  
(iii) Accessible  
(iv) Maturity  
(v) Decline  
(vi) Attitude
- (A) (i), (ii), (iii) and (iv)  
(B) (ii), (iii), (iv) and (v)  
(C) (i), (ii), (iv) and (v)  
(A) All of these
22. The Market environment consists
- (A) Socio-economic  
(B) Technology  
(C) Competition  
(D) All of these

- 23.** What do you mean by 'under conditions of a perfect competition in the product market'?
- (A)  $MRP = VMP$
- (B)  $MRP > VMP$
- (C)  $VMP > MRP$
- (D) None of the these
- 24.** Starting from the time of independence, why did India follow a planned economy?
1. India followed a five-year plan and required an outlook.
  2. Directive Principles of Indian Constitution indicated the planned vision of India.
  3. There was no indication whatsoever from the five year plans regarding how much of each and every good and service is to be produced.
- (A) Only 2
- (B) 2 and 3
- (C) 1 and 3
- (D) All of these
- 25.** Which of the following is the reason for the decline in the child sex ratio in India?
- (A) Low fertility rate.
- (B) Female foeticide
- (C) Incentives for a boy child from the government
- (D) None of these
- 26.** What factors are taken into consideration while revising the poverty line periodically?
- (A) By conducting a survey every five years
- (B) Survey carried out by National Sample Survey Organisation
- (C) Both (A) and (B)
- (D) None of these
- 27.** In India, which banks/institutions have the highest share in the disbursement of credit to agriculture and allied activities?
- (A) Cooperative banks
- (B) Regional Rural Banks
- (C) Commercial banks
- (D) Microfinance institutions

- 28.** Which of the following is/are linked with the financial sector of India and controlled by the Reserve Bank of India (RBI)?
- (A) Commercial bank  
 (B) Money lenders  
 (C) Stock exchange operations  
 (D) All of these
- 29.** When price floor is set above equilibrium price it will result in?
- (A) Shortage  
 (B) Surpluses  
 (C) Equilibrium  
 (D) Loss
- 30.** "Why is the unemployment rate low in India statistically?"
1. Unemployment is calculated only from the age group of 15 years to 59 years.
  2. Unemployment survives only when an individual cannot find a job.
  3. People are not interested in working outside the domestic area."
- (A) Only 3  
 (B) 2 and 3  
 (C) Only 2  
 (D) All of these
- 31.** What does the bowed-out shape of the production possibilities curve illustrate?
- (A) Law of increasing opportunity cost  
 (B) The production is inefficient  
 (C) The production is unattainable  
 (D) The demand is relatively elastic
- 32.** What is the main economic problem faced by the society?
- (A) Unemployment  
 (B) Inequality  
 (C) Poverty  
 (D) Scarcity
- 33.** The goal of a pure market economy is to meet the desire of \_\_\_\_\_ .
- (A) Consumers  
 (B) Companies  
 (C) Workers  
 (D) The government
- 34.** Which of the following is an example of an agricultural price support program?
- (A) A price ceiling  
 (B) A price floor  
 (C) Equilibrium pricing  
 (D) Consumer Surplus

- 35.** Calculate the value of the money multiplier and the total deposit created if the initial amount is rupees 700 crore and the LRR is 10%.
- (A) 70 Crore  
 (B) 7000 Crore  
 (C) 700 Crore  
 (D) None of these
- 36.** Legal reserve ratio is equal to \_\_\_\_\_.
- (A) CRR/SLR  
 (B) CRR – SLR  
 (C) SLR – CLR  
 (D) CRR + SLR
- 37.** Calculate the LRR if the initial deposit of rupees 500 crore leads to the establishment of the total deposit of rupees 4,000 crore.
- (A) 8.5  
 (B) 8  
 (C) 12.5  
 (D) 12
- 38.** One of the measures of money supply is \_\_\_\_\_ .
- (A) O1  
 (B) N1  
 (C) M1  
 (D) P1
- 39.** Nominal GNP is the same as,
- (A) GNP at current prices  
 (B) GNP at constant prices  
 (C) Real GNP  
 (D) GNP less net factor income from abroad
- 40.** Which of the following is an example of transfer payment:
- (A) Free meals in the company canteen  
 (B) Employers' contribution to social security  
 (C) Retirement pension  
 (D) Old-age pension
- 41.** In an economy,  $C = 300 + 0.5Y$  and  $I = \text{Rs. } 600/-$  (where  $C$  = consumption,  $Y$  = income or investment). Compute the equilibrium level of income
- (A) Rs. 1600  
 (B) Rs. 1800  
 (C) Rs. 1500  
 (D) Rs. 2000



42. The Hindu rate of growth refers to the growth rate of
- (A) Per Capita Income
  - (B) National Income
  - (C) Population
  - (D) Literacy
43. Green revolution was the result of adaption of New Agricultural method which was introduced in 20th Century during decades of
- (A) Fifties
  - (B) Seventies
  - (C) Sixties
  - (D) Eighties
44. Bhilai Steel Plant was established with help of:
- (A) Russia
  - (B) Britain
  - (C) Germany
  - (D) Poland
45. What is the effect of deficit financing on economy?
- (A) Reduction in taxes
  - (B) Increase in wages
  - (C) Increase in money supply
  - (D) Decrease in money supply
46. Which organization releases 'World Investment Report' every year?
- (A) UNCTAD
  - (B) WTO
  - (C) IMF
  - (D) World Bank
47. The Economic Survey of India is an annual document of the Ministry of Finance, presented to the \_\_\_\_\_ of Parliament during the Budget Session.
- (A) Upper House
  - (B) Lower House
  - (C) Both Houses
  - (D) None of these

48. What is the new name of Rajeev Gandhi Grameen Vidyutikaran Yojna?
- (A) Veer Sawarkar Gram Jyoti Yojana
  - (B) Deen Dayal Upadhyay Gram Jyoti Yojana
  - (C) Rural electrification management scheme
  - (D) Rajeev Gandhi Gramin LPG Vitram Yojna
49. When the reserve bank of India increases the cash reserve ratio (CRR)?
- (A) When the Indian economy have high rate of inflation
  - (B) When the Indian economy have low rate of inflation
  - (C) The demand of goods & services is very low
  - (D) None of these
50. Who among the following never hold the office of chairman of finance commission?
- (A) Pranab Mukherjee
  - (B) Mahaveer Tyagi
  - (C) K.C. Pant
  - (D) C. Rangarajan

## ROUGH WORK

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