

Test Booklet No.

Written Examination, September 2023
ASSISTANT PROFESSOR (ECONOMICS)

Name of Candidate Answer Sheet No.

Roll No. of the Candidate Signature of the Candidate:

Date of Examination: Signature of the Invigilator(s)
1.
2.

[Time : 1 Hour]

[Maximum Marks : 50]

IMPORTANT INSTRUCTIONS

- (i) The question paper is in the form of Test-Booklet containing **50 (Fifty)** questions. 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 roll 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 only.
- (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 only.
- (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.

1. Consider the following statements :
- Income effect is positive in case of normal goods.
 - Income effect is zero in the case of superior goods.
 - All Giffen goods are inferior goods, but not all inferior goods are Giffen goods.
 - Income effect is negative in case of inferior goods.
- Which of the above is /are correct?
- (i) only
 - (ii) only
 - (iii) & (iv)
 - (i), (iii) and (iv)
2. With which of the following is the doctrine of excess capacity in the long run not associated?
- Monopoly
 - Oligopoly
 - Monopolistic competition
 - Perfect competition
3. In an Edgeworth production box, the only possible positions of equilibrium is
- the isoquants are tangent to one another
 - the isoquants intersect each other
 - the marginal products of the inputs are equal
 - both (B) and (C)
4. The practices of transfer pricing in the open economy is resorted to by
- Mutual Funds
 - Institutional Investors
 - Multinational Corporations
 - Private Banks
5. From a bag containing 6 red, 4 green and 5 black balls, one ball is drawn at random, find the probability that it is either red or green.
- $\frac{{}^6C_1 + {}^4C_1}{{}^{15}C_1}$
 - $\frac{6}{15}$
 - $\frac{4}{15}$
 - ${}^6C_1 \times {}^4C_1 \times {}^{15}C_1$
6. If the co-efficient of determination is 0.12 and one of the regression coefficients is 0.3; what is the value of the other regression co-efficient ?
- 0.4
 - 0.36
 - 0.9
 - 0.15

7. Which of the following measures of the central tendency suits the data best if the objective is to assess the distribution of values ?

- (A) Arithmetic mean
- (B) Mode
- (C) Median
- (D) Kurtosis

8. HDI is entrusted with reference to :

- I. Life expectancy at birth
- II. Real GDP/per capita
- III. Infant mortality
- IV. Morbidity

Codes :

- (A) I and II are correct.
- (B) II and III are correct.
- (C) III and IV are correct.
- (D) All the above

9. According to Milton Friedman Theory of permanent component of consumption-expenditure depends on

- I. Transitory income alone
- II. Transitory and permanent income
- III. Permanent income alone
- IV. Windfall gains

Codes :

- (A) I and II are correct.
- (B) I and III are correct.
- (C) II and IV are correct.
- (D) Only III is correct

10. The sequencing process of Schumpeter model of development is

- (A) Swarm like Clusters, Innovation, Bank credit, Breaking circular flow
- (B) Breaking circular flow, Innovation, Bank credit, Swarm like Clusters
- (C) Innovation, Bank credit, Breaking circular flow, Swarm like Clusters
- (D) Bank credit, Innovation, Swarm like Clusters, Breaking circular flow.

11. Arrange Rostow's stages of economic growth in a sequential order :

- I. The age of high mass consumption
- II. The traditional society
- III. The take-off stage
- IV. The drive to maturity

Codes :

- (A) I, III, IV, II
- (B) II, IV, I, III
- (C) III, I, II, IV
- (D) II, III, IV, I

12. Who distinguished between value in use and value in exchange and gave the famous example of diamonds and water ?
- (A) Adam Smith
(B) David Ricardo
(C) Alfred Marshall
(D) Karl Marx
13. Predatory pricing policy is designed to
- (A) drive competitors out of business
(B) maximise profits
(C) encourage entrants into the market
(D) attain least cost output
14. The practice of charging each consumer the reservation price is called
- (A) Peak load pricing
(B) Inter-temporal price discrimination
(C) First degree price discrimination
(D) Third degree price discrimination
15. Frictional unemployment is also known as
- (A) Disguised unemployment
(B) Turnover unemployment
(C) Cyclical unemployment
(D) Structural unemployment
16. Which of the following components of aggregate demand is selfterminating and self-financing ?
- (A) Investment expenditure
(B) Durable consumption expenditure
(C) Non-durable consumption expenditure
(D) Government expenditure
17. Arrange all the four concepts of money supply M_1 , M_2 , M_3 and M_4 in the ascending order in terms of their liquidity :
- (A) M_3 , M_2 , M_1 and M_4
(B) M_1 , M_2 , M_3 and M_4
(C) M_4 , M_2 , M_3 and M_1
(D) M_4 , M_3 , M_2 and M_1
18. Which of the following is not a characteristic feature of the Phillips curve?
- (A) The Price expectations are adaptive
(B) The unemployment rate, when money wage stabilises, is $5\frac{1}{2}$ percent
(C) The price expectations are static
(D) There is a loop around Phillips curve
19. The crowding out effect is zero when
- (A) there is liquidity trap, or investment is perfectly interest inelastic
(B) money demand is perfectly interest inelastic, or investment is perfectly interest elastic
(C) IS curve is falling and LM curve is rising
(D) None of the above

- 20.** Which of the following is correct about the 'Hindu Growth Rate' ?
- (A) This is about economic growth of the Hindu population.
 - (B) Shows economic disparities among different social groups in India.
 - (C) Reflects low growth performance of the Indian economy during 1950-80.
 - (D) Hints at accelerated growth in India since 1980
- 21.** Single out the activity that is not included in the Industrial Production Index of India :
- (A) Manufacturing
 - (B) Construction
 - (C) Mining
 - (D) Electricity
- 22.** Identify the method not being used for unemployment estimation by the NSSO in India.
- (A) Current monthly status
 - (B) Current daily status
 - (C) Current weekly status
 - (D) Usual principal and subsidiary Status
- 23.** The process of budget making after reevaluating every item of expenditure in every financial year is known as
- (A) Performance Budgeting
 - (B) Fresh Budgeting
 - (C) Debit Budgeting
 - (D) Zero Based Budgeting
- 24.** A difference in relative commodity prices between two nations can be based upon a difference in
- (A) factor endowment
 - (B) technology
 - (C) tastes
 - (D) All of the above
- 25.** Which type of trade is not explained by the Heckscher-Ohlin model ?
- (A) Trade based on economies of scale
 - (B) Intra industry trade
 - (C) Trade based on imitation gaps and product cycles
 - (D) All of the above

26. If the demand of the domestic consumers is infinitely elastic and the supply of the foreign producer is perfectly inelastic, then the whole of the tariff will
- be paid by the domestic consumers
 - be paid by the foreign producer
 - be equally shared by the domestic consumers and the foreign producer
 - yield neither revenue nor protection to either of them
27. A tax imposed on a commodity according to its weight, size or measurement is called
- Advalorem tax
 - Specific tax
 - Single tax
 - Double taxation
28. Which of the following is Musgrave's views on incidence of taxation ?
- Settlement of tax on ultimate tax payer.
 - Formal and effective incidence of taxation.
 - Changes in the distribution of income for private use arising from changes in budget policy.
 - The final direct money burden of a tax.
29. The analysis of variance is carried out by using
- t-test
 - Z-test
 - 2-test
 - F-test
30. Systematic sampling implies that the first item is selected randomly and
- the other items are selected by lottery method
 - the other items are selected purposively
 - then every kth item is selected
 - the other items are selected at the will of the investigator
31. Rejecting H_0 , if it is true is known as
- α error
 - β error
 - Standard error
 - $1 - \beta$ error
32. Who explained importance of time element in price determination, for the first time?
- Chamberlin
 - Stigler
 - Mrs. Joan Robinson
 - Marshall

- 33.** The classical theory of interest postulates that both savings and investments are a function of
- (A) the level of National income
 - (B) the level of employment and output
 - (C) monetary and fiscal policy
 - (D) rate of interest
- 34.** Accelerator is most closely related to
- (A) interest rate
 - (B) inventories
 - (C) idle capacity
 - (D) induced investment
- 35.** Maastricht Treaty led to the creation of which one of the following ?
- (A) European Parliament
 - (B) Euro
 - (C) European Court of Justice
 - (D) European Union
- 36.** The Stolper-Samuelson theorem postulates that the imposition of a tariff by a nation causes the real income of the nation's
- (A) abundant factor to rise
 - (B) scarce factor to rise
 - (C) scarce factor to fall
 - (D) both (A) & (B) are possible
- 37.** What is perspective planning ?
- (A) Overall appraisal of planning.
 - (B) Review of planning in different fields.
 - (C) Taking up past experience and reviewing the future in that light.
 - (D) Planning for future so as to meet the long term requirement of development in the country.
- 38.** "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.
- 39.** Which of the canons of taxations have been propounded by Adam Smith ?
- (A) Economy, Elasticity, Simplicity and Sufficiency
 - (B) Equity, Certainty, Convenience and Economy
 - (C) Certainty, Convenience, Economy and Elasticity
 - (D) Economy, Coordination, Convenience and Expediency

- 40.** Displacement effect explained in Peacock-Wiseman hypothesis implies:
- (A) An upward displacement of public expenditure according to higher economic growth
 - (B) The movement from older level of public expenditure and taxation to a newer and higher level
 - (C) Public expenditure increases at steady rate and reaches higher level
 - (D) Government undertakes more and more newer activities and hence public expenditure rises steeply upwards
- 41.** Fiscal consolidation at the Centre can be achieved by :
- (A) Rationalization of major subsidies alone
 - (B) Reducing the defence expenditure only
 - (C) Raising the tax-GDP ratio and rationalisation of subsidies
 - (D) Minimising the Central assistance to the States
- 42.** Lump sum grant means :
- (A) A grant whose amount is sufficient to meet the expenditure.
 - (B) A matching and conditional grant.
 - (C) Grant given for a special purpose and it can be utilised only for that purpose.
 - (D) A grant whose amount is not dependent on any matching effort of the recipient.
- 43.** Geometric mean of Laspeyre's and Paasche's indices provides :
- (A) Marshall-Edgeworth Index
 - (B) Bowley's Index
 - (C) Fisher's Index
 - (D) Kelley's Index
- 44.** G 20 Presidency for 2024 has gone to which country?
- (A) Indonesia
 - (B) Brazil
 - (C) South Africa
 - (D) Malaysia
- 45.** Which is not a money market security?
- (A) Treasury bill
 - (B) National saving certificate
 - (C) Certificate of Deposit
 - (D) Commercial Paper
- 46.** Financial leverage measures:
- (A) sensitivity of EBIT with respect of % change with respect to output
 - (B) % variation in the level of production
 - (C) sensitivity of EPS with respect to % change in level of EBIT
 - (D) no change with EBIT and EPS

47. Which of the following is the assumption of MM model on dividend policy?
- (A) The firm is an all-equity firm
 - (B) The investments of the firm are financed solely by retained earnings
 - (C) The firm has an infinite life
 - (D) None of the above
48. Profit margin multiplied by assets turnover multiplied by equity multiplier is used to calculate :
- (A) Return on turnover
 - (B) Return on stock
 - (C) Return on assets
 - (D) Return on equity
49. Successful HRM practice in the international business environment primarily depends on managers keeping in mind that:
- (A) HRM practices are transferable between two groups that share a common language.
 - (B) most international personnel problems are related to cultural and language differences.
 - (C) hard data on the success or failure of HRM practices related to culture is largely non existent.
 - (D) extensive research supports the effectiveness of HRM practices as a function of national culture.
50. Which of the following is not a responsibility of the board of directors?
- (A) Monitor corporate strategy decisions and ensure that they are consistent with stockholder interests
 - (B) Develop the company competitive strategy
 - (C) Hire, fire, and compensate the CEO
 - (D) Apply sanctions on management when appropriate

ROUGH WORK

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