

1. The law of scarcity
- (A) does not apply to the rich, developed countries
  - (B) applies only to the less developed countries
  - (C) implies that consumer's wants will be satisfied in a socialistic system
  - (D) implies that consumer's wants will never be completely satisfied

2. Which of the following is **not** an assumption of production possibility curve (PPC)?
- (A) Resources are fully and efficiently utilised
  - (B) Resources in the economy are fixed
  - (C) There is no change in the level of technology
  - (D) Resources are equally efficient in production of all products

3. Which of the following economic problems deals with the technique of production?
- (A) What to produce
  - (B) How to produce
  - (C) For whom to produce
  - (D) None of the above

4. The production possibility curve is concave to the origin because of
- (A) increasing MRT
  - (B) diminishing MRT
  - (C) constant MRT
  - (D) None of the above

5. A curve outside the production possibility curve (PPC) indicates
- (A) fuller utilization of resources
  - (B) unutilization of resources
  - (C) unattainable combination
  - (D) None of the above

6. Which of the following is related to microeconomics?
- (A) Inflation in the economy
  - (B) Unemployment problem
  - (C) National income
  - (D) Income from postal department

7. Which of the following is a cause of economic problem?
- (A) Scarcity of resources
  - (B) Unlimited wants
  - (C) Alternative uses
  - (D) All of the above

8. Macroeconomics focuses on all of the following, **except**
- (A) unemployment problem
  - (B) inflation in the economy
  - (C) aggregate demand
  - (D) jute industry

9. The indifference curves are convex to the origin because of
- (A) increasing MRS
  - (B) diminishing MRS
  - (C) the law of diminishing marginal utility
  - (D) the law of equimarginal utility

10. The necessary condition under utility approach to attain consumer's equilibrium in case of two commodities is
- (A)  $\frac{MU_X}{P_X} = \frac{MU_Y}{P_Y}$
  - (B)  $MRS_{xy} = \frac{P_X}{P_Y}$
  - (C)  $MU_X = P_X$
  - (D) None of the above

11. When we add up utility derived from the consumption of all the units of the commodities, we get
- (A) total utility
  - (B) initial utility
  - (C) marginal utility
  - (D) None of the above

12. The indifference map refers to the
- (A) highest indifference curve
  - (B) lowest indifference curve
  - (C) family of indifference curves
  - (D) None of the above

13. Which of the following is a condition for consumer's equilibrium by indifference curve analysis?
- (A)  $MU_X = P_X$
  - (B)  $\frac{MU_X}{P_X} = \frac{MU_Y}{P_Y}$
  - (C)  $MRS_{xy} = \frac{P_X}{P_Y}$
  - (D)  $MU_X = MU_Y$

14. What happens to MU when TU is maximum?
- (A) MU is negative  
(B) MU is zero  
(C) MU is decreasing  
(D) MU is increasing
15. An indifference curve always
- (A) sloped downward from left to right  
(B) sloped upward from left to right  
(C) parallel to the X-axis  
(D) parallel to the Y-axis
16. Marginal utility
- (A) is always positive  
(B) is always negative  
(C) can be positive or negative but not zero  
(D) can be positive or negative or zero
17. Which of the following is an example of complementary goods?
- (A) Tea and coffee  
(B) Coke and pepsi  
(C) Rice and wheat  
(D) None of the above
18. When two or more goods are demanded simultaneously, it is known as
- (A) joint demand  
(B) alternative demand  
(C) direct demand  
(D) composite demand
19. Expansion of demand leads to
- (A) rightward shift in demand curve  
(B) downward movement along the demand curve  
(C) upward movement along the demand curve  
(D) None of the above
20. If the price of good X rises and it leads to a fall in the demand for good Y, then the two goods are
- (A) substitute goods  
(B) complementary goods  
(C) normal goods  
(D) inferior goods
21. Ceteris paribus means
- (A) holding supply constant  
(B) holding demand constant  
(C) price being constant  
(D) other factors being constant
22. An increase in real income of a consumer induces him to buy more of a commodity whose price has fallen. This is known as
- (A) income effect  
(B) substitution effect  
(C) inducement effect  
(D) None of the above
23. If there is no change in demand for the commodity X even after rise in its price, then its demand is
- (A) perfectly elastic  
(B) perfectly inelastic  
(C) less elastic  
(D) highly elastic
24. Which of the following influences price elasticity of demand?
- (A) Nature of the commodity  
(B) Income level  
(C) Availability of substitute  
(D) All of the above
25. If there is no change in quantity demanded to any change in price, then demand is \_\_\_\_\_ and demand curve is a \_\_\_\_\_
- (A) perfectly elastic, horizontal straight line  
(B) perfectly elastic, vertical straight line  
(C) perfectly inelastic, horizontal straight line  
(D) perfectly inelastic, vertical straight line
26. The law of variable proportions is also known as
- (A) law of returns  
(B) returns to variable factors  
(C) law of returns to factor  
(D) All of the above
27. Average product *cannot* be negative because
- (A) total product can never be zero  
(B) total product can never be negative  
(C) Neither (A) nor (B)  
(D) Both (A) and (B)
28. Identify the two cost curves which start from the same point on the Y-axis.
- (A) TVC and TFC  
(B) SAC and LAC  
(C) TFC and TC  
(D) TFC and AFC
29. MC can be directly derived from
- (A) TFC  
(B) TVC  
(C) AC  
(D) AFC

30. Normal profits earned by a firm are included in
- implicit cost
  - explicit cost
  - fixed cost
  - variable cost
31. Which of the following cost curves is rectangular hyperbola?
- Average cost curve
  - Marginal cost curve
  - Average variable cost curve
  - Average fixed cost curve
32. If average revenue curve is a horizontal straight line, then the marginal revenue curve will be
- downward slopping
  - horizontal straight line
  - upward slopping
  - inversely S-shaped
33. What happens to TR when MR is positive?
- TR increases
  - TR decreases
  - TR is maximum
  - TR remains same

34. If  $TR = \text{total revenue}$  and  $Q = \text{quantity sold}$ , then  $TR + Q$  refers to
- zero revenue
  - average revenue
  - marginal revenue
  - None of the above
35. The producers equilibrium under  $MR - MC$  approach is achieved when
- $MR = MC$
  - $MC > MR$  after the equality between  $MR$  and  $MC$
  - Either (A) or (B)
  - Both (A) and (B)
36. If  $MR$  is more than  $MC$  at a particular level of output, then producer will
- reduce production
  - increase production
  - keep the production at current level
  - None of the above
37. Market period is a time period during which
- supply cannot be adjusted to meet changed demand conditions
  - supply cannot be fully adjusted to meet changed demand conditions
  - change in supply is limited to available capacity
  - any change in supply is possible

38. The market supply of a commodity is affected by
- state of technology
  - number of firms
  - government policy
  - All of the above
39. Identify the market form which has indeterminate demand curve.
- Monopoly
  - Monopolistic competition
  - Perfect competition
  - Oligopoly
40. Which form of market is also known as price-maker firm?
- Monopoly
  - Oligopoly
  - Perfect competition
  - Monopolistic competition
41. Under monopoly, price elasticity of demand is
- less than one
  - equal to one
  - greater than one
  - infinity

42. Oligopoly is a market structure in which there are
- many sellers and many buyers
  - one seller and many buyers
  - few sellers and many buyers
  - None of the above
43. Which of the following is *not* an example of flow variable?
- Number of births during a year
  - National wealth
  - National income
  - Wheat produced during a year
44. Which of the following is *not* considered a factor income?
- Rent
  - Wages
  - Gifts from abroad
  - Profits
45. Which of the following is a stock?
- Wealth
  - Savings
  - Exports
  - Profits

46. Which of the following is an intermediate product?
- (A) Purchase of pulses by consumer
  - (B) Machine purchased by a firm
  - (C) Wheat used by a flour mill
  - (D) Wheat used by households
47. Which of the following is an example of transfer income?
- (A) Bonus
  - (B) Unemployment allowance
  - (C) Compensation from the employer
  - (D) All of the above
48. Depreciation of fixed capital assets refers to
- (A) normal wear and tear
  - (B) foreseen obsolescence
  - (C) normal wear and tear and foreseen obsolescence
  - (D) unforeseen obsolescence
49. In which type of economy, domestic income is equal to national income?
- (A) Open economy
  - (B) Closed economy
  - (C) Both (A) and (B)
  - (D) Neither (A) nor (B)

50. Which of the following is included in compensation of employees?
- (A) Dearness allowances
  - (B) Tools given to employees to be used during works
  - (C) Payment by insured company to an injured employee
  - (D) Contribution by employee to provident fund
51. Income method is also known as
- (A) distributive share method
  - (B) income disposal method
  - (C) industrial origin method
  - (D) None of the above
52. High-powered money consists of
- (A) currency and coins held by the public
  - (B) currency, cash reserve with banks and demand deposits
  - (C) currency held by the public and cash reserves with banks
  - (D) currency and demand deposits
53. Who regulates money supply?
- (A) The Government of India
  - (B) The Reserve Bank of India
  - (C) Commercial banks
  - (D) None of the above

54. What will be the effect of increase in the 'repo rate' on the money supply?
- (A) Money supply will increase
  - (B) Money supply will decrease
  - (C) Money supply will remain same
  - (D) Money supply will initially increase and then decrease
55. Which of the following is *not* a quantitative method of credit control?
- (A) Open market operation
  - (B) Margin requirements
  - (C) Variable cash reserve ratio
  - (D) Bank rate policy
56. Which one of the following is *not* an objective of government budget?
- (A) Reallocation of resources
  - (B) Economic stability
  - (C) Increasing regional disparities
  - (D) Economic growth
57. Borrowing in government budget is
- (A) revenue deficit
  - (B) fiscal deficit
  - (C) primary deficit
  - (D) deficit in taxes

58. An essential attribute of inflation is
- (A) fall in production
  - (B) increase in prices
  - (C) absence of black market
  - (D) presence of black market
59. When a tax is imposed on a commodity according to its weight, size or measurement, it is called
- (A) proportional tax
  - (B) progressive tax
  - (C) specific tax
  - (D) regressive tax
60. Which is a public good?
- (A) Air
  - (B) Car
  - (C) Food
  - (D) Cable television
61. The scope of public finance includes
- (A) public revenue
  - (B) public debt
  - (C) public expenditure
  - (D) All of the above

62. Which is the main point on the basis of which public finance can be separated from private finance?
- (A) Price policy
  - (B) Borrowings
  - (C) Secrecy
  - (D) Elasticity in income

63. Which is the main objective of a tax?
- (A) Increase in consumption
  - (B) Increase in production
  - (C) Raising public revenue
  - (D) Reduction in capital formation

64. Shortcoming of public debt is
- (A) political slavery
  - (B) danger of insolvency
  - (C) danger of country's freedom
  - (D) All of the above

65. The burden of long-term public loan is on
- (A) present generation
  - (B) past generation
  - (C) future generation
  - (D) None of the above

66. The 14th Finance Commission was set up in
- (A) 2014
  - (B) 2015
  - (C) 2013
  - (D) 2017

67. The comparative cost theory was propounded by
- (A) Robertson
  - (B) Samuelson
  - (C) Ricardo
  - (D) Pigou

68. The balance of payments is a \_\_\_\_\_ concept.
- (A) stock
  - (B) flow
  - (C) Both (A) and (B)
  - (D) Neither (A) nor (B)

69. Depreciation of domestic currency leads to rise in
- (A) exports
  - (B) imports
  - (C) Both (A) and (B)
  - (D) Neither (A) nor (B)

70. According to Irving Fisher, the price level (P) is a/an
- (A) passive factor
  - (B) active factor
  - (C) Both (A) and (B)
  - (D) None of the above

71. The Marshallian cash balance equation is expressed as
- (A)  $M = KPT$
  - (B)  $M = KRT$
  - (C)  $M = KPY$
  - (D)  $M = KPR$

72. The mildest form of inflation which has not any dangerous effect on the economy is called
- (A) walking inflation
  - (B) runaway inflation
  - (C) creeping inflation
  - (D) None of the above

73. Who among the following is associated with marginal productivity theory?
- (A) Ricardo
  - (B) Pigou
  - (C) J. B. Clark
  - (D) None of them

74. Who propounded the uncertainty bearing theory of profit?
- (A) Hawley
  - (B) Knight
  - (C) Schumpeter
  - (D) Marshall

75. The concept of net barter terms was introduced by
- (A) Jacob Viner
  - (B) F. W. Taussig
  - (C) Robertson
  - (D) Keynes

76. Dadabhai Naoroji theorised on the drain of wealth from India in his book
- (A) *Poverty under British Rule in India*
  - (B) *Poverty in British Rule in India*
  - (C) *Poverty and un-British Rule in India*
  - (D) *Poverty of Economic Drain in British India*

77. India had a plan holiday
- (A) after the Indo-China War of 1962
  - (B) after the draught of 1966
  - (C) after the Liberation of Bangladesh in 1971
  - (D) after the Indo-Pakistan War of 1965

78. Which of the following groups of States has the largest concentration of rural poor and people living below poverty line?
- (A) Kerala, Maharashtra and Goa
  - (B) Goa, Andhra Pradesh and Maharashtra
  - (C) Tamil Nadu, Kerala and Goa
  - (D) Andhra Pradesh, Karnataka and Tamil Nadu

79. What is the main objective of Antyodaya Programme?
- (A) Uplift the poor
  - (B) Uplift the urban poor
  - (C) Uplift the farmer
  - (D) Uplift the landless labour

80. Swarnajayanti Gram Swarozgar Yojana came into being in
- (A) April 1995
  - (B) April 1997
  - (C) April 1999
  - (D) July 2000

81. Operation Blackboard aims at
- (A) promoting adult literacy
  - (B) providing education to urban slum dwellers
  - (C) opening of new school specially for children
  - (D) providing primary education in an educationally backward area

82. In India, present trend of rapid urbanization is due to
- (A) lack of employment opportunities in rural areas
  - (B) influence of cinema and electronic media
  - (C) break up of joint family system
  - (D) abolition of Zamindari system

83. Total land area of India is
- (A) 45-70 crore hectares
  - (B) 35-80 crore hectares
  - (C) 32-87 crore hectares
  - (D) 29-57 crore hectares

84. India's Green Revolution is most successful in
- (A) wheat and potato
  - (B) jawar and oil seeds
  - (C) wheat and rice
  - (D) tea and coffee

85. NITI Aayog was formed by the Government of India on
- (A) 25th January, 2014
  - (B) 29th January, 2014
  - (C) 1st January, 2015
  - (D) 10th January, 2015

86. ECOMARC is a symbol related to
- (A) export goods
  - (B) import goods
  - (C) goods for safe environment
  - (D) best quality goods

87. The National Rural Employment Guarantee Act, 2005 ensures for how many days of employment in a year in rural areas?
- (A) 365 days
  - (B) At least 200 days
  - (C) 150 days
  - (D) 100 days

88. According to 2011 Census, the State having maximum population is
- (A) Uttar Pradesh
  - (B) Maharashtra
  - (C) Tamil Nadu
  - (D) Kerala

89. Which organisation is meant to ensure export from India?
- (A) Exim Bank
  - (B) ECGC
  - (C) Ministry of Commerce
  - (D) None of the above

90. As per the report on state of Forest 2011, what is the percentage coverage of forest area in the total geographical area of the country?
- (A) 22.20%
  - (B) 21.30%
  - (C) 21.05%
  - (D) 19.90%

91. When was the SAARC established?
- (A) 8th December, 1984
  - (B) 1st January, 1984
  - (C) 8th December, 1985
  - (D) 1st January, 1985

92. Pradhan Mantri Bharat Jodo Pariyojana is related to
- (A) communication
  - (B) social integration
  - (C) linking of rivers
  - (D) development of highways

93. NABARD was established on the recommendation of
- (A) Public Account Committee
  - (B) Sivaraman Committee
  - (C) Narasimham Committee
  - (D) None of the above

94. Sampoorna Grameen Rozgar Yojana has been launched from
- (A) 1st April, 2001  
 (B) 25th September, 2001  
 (C) 30th September, 2001  
 (D) None of the above
95. Kutir Jyoti Scheme is associated with
- (A) promoting cottage industry in villages  
 (B) promoting employment among rural unemployed youth  
 (C) providing electricity to rural families living below the poverty line  
 (D) All of the above
96. According to Census 2011, total population of India is
- (A) 120.25 crores  
 (B) 122.20 crores  
 (C) 121.02 crores  
 (D) 123.45 crores
97. Which of the following is *not* an objective of land reforms?
- (A) To raise agricultural production  
 (B) To free the cultivators from exploitation  
 (C) To reduce economic inequalities  
 (D) To raise industrial production
98. Kisan Credit Card was introduced during
- (A) 1998-99  
 (B) 2000-01  
 (C) 2005-06  
 (D) 2012-13
99. Foreign direct investment (FDI) is at present permitted up to
- (A) 74 percent  
 (B) 51 percent  
 (C) 87 percent  
 (D) 100 percent
100. Approximately what percentage of Indian population is living below poverty line?
- (A) 18 percent  
 (B) 23 percent  
 (C) 29 percent  
 (D) 31 percent