

DO NOT OPEN THIS TEST BOOKLET UNTIL YOU ARE ASKED TO DO SO

24-0003-AB2

TEST BOOKLET

Time Allowed: 2 hours

PAPER – II

Maximum Marks: 100

INSTRUCTIONS TO CANDIDATES

Read the instructions carefully before answering the questions: -

1. This Test Booklet consists of 12 (twelve) pages and has 50 (fifty) items (questions).
2. IMMEDIATELY AFTER THE COMMENCEMENT OF THE EXAMINATION, YOU SHOULD CHECK THAT THIS BOOKLET **DOES NOT** HAVE ANY UNPRINTED OR TORN OR MISSING PAGES OR ITEMS ETC. IF SO, GET IT REPLACED BY A COMPLETE TEST BOOKLET.
3. Please note that it is the candidate's responsibility to fill in the Roll Number and other required details carefully and without any omission or discrepancy at the appropriate places in the OMR Answer Sheet. Any omission/discrepancy will render the OMR Answer Sheet liable for rejection.
4. Do not write anything else on the OMR Answer Sheet except the required information. Before you proceed to mark in the OMR Answer Sheet, please ensure that you have filled in the required particulars as per given instructions.
5. Use only **Black Ball Point Pen** to fill the OMR Answer Sheet.
6. This Test Booklet consist of **Multiple Choice-based Questions**. The answers to these questions have to be marked in the OMR Answer Sheet provided to you.
7. Each item (question) **comprises of 04 (four) responses (answers)**. You are required to select the response which you want to mark on the OMR Answer Sheet. In case you feel that there is more than one correct response, mark the response which you consider the best. In any case, choose **ONLY ONE** response for each item.
8. After you have completed filling in all your responses on the OMR Answer Sheet and the Answer Booklet(s) and the examination has concluded, you should hand over to the Invigilator **only the OMR Answer Sheet and the Answer Booklet(s)**. You are permitted to take the Test Booklet with you.
9. **Penalty for wrong answers in Multiple Choice-based Questions:**
THERE WIL BE **PENALTY** FOR WRONG ANSWERS MARKED BY A CANDIDATE.
 - (i) There are four alternatives for the answer to every question. For each question for which a wrong answer has been given by the candidate, **one-third** of the marks assigned to the question will be deducted as penalty.
 - (ii) If a candidate gives more than one answer, it will be treated as a **wrong answer** even if one of the given answers happens to be correct and there will be same penalty as above to the question.
 - (iii) If a question is left blank. i.e., no answer is given by the candidate, there will be **no penalty** for that question.

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Choose the correct answer for the following questions:

(2x50=100)

1. In an economy, the value of indirect taxes is Rs. 200 crore and value of net indirect taxes is (-) Rs.250 crores. Identify the value of subsidies from the given options.
 - (a) Rs. 50 Crore
 - (b) Rs. 450 Crore
 - (c) Rs. (-) 450 Crore
 - (d) Rs.250 Crore
2. Total national income divided by total population is known as:
 - (a) Private income
 - (b) Personal income
 - (c) Personal spendable income
 - (d) Per capita income.
3. Nominal GNP is the same as-
 - (a) GNP at constant prices
 - (b) Real GNP
 - (c) GNP at current prices
 - (d) GNP less net factor income from abroad
4. Supply of money is a-
 - a) Flow variable
 - b) Stock variable
 - c) Real flow
 - d) None of these
5. Identify the qualitative measure of central bank from below-
 - a) Bank rate
 - b) Open market operation
 - c) Margin Requirement
 - d) Cash reserve ratio
6. The value of multiplier is-
 - a) $1/ MPC$
 - b) $1/ MPS$
 - c) $1/ 1-MPS$
 - d) $1/ MPC-1$

7. If MPC is 0.5, the value of investment multiplier equals:

- a) 4
- b) 2
- c) 1
- d) 0.2

8. In a government budget, if revenue deficit is Rs. 50,000 crore and borrowings is Rs.75,000 crore, the fiscal deficit will be-

- a) Rs. 25,000 crores
- b) Rs.1,25,000 crores
- c) Rs.50,000 crores
- d) Rs.75,000 crores

9. Balance of Payments is a _____ concept.

- a) Flow
- b) Stock
- c) Vibrant
- d) Narrow

10. 'Import of Machinery' is recorded in the _____ Account and 'Borrowings from Abroad' is recorded in the _____ account.

- a) Current, Capital
- b) Capital, Current
- c) Capital, Capital
- d) Current, Current

11. Legal reserve ratio is equal to-

- a) $CRR \div SLR$
- b) $CRR - SLR$
- c) $SLR - CRR$
- d) $CRR + SLR$

12. High Powered Money includes-

- a) $C + DD + OD$
- b) $C + R + OD$
- c) $C + R + TD$
- d) $C + DD + TD$

13. Balance of Payments is an accounting statement that records monetary transactions between _____.

- a) Residents of a nation and the rest of the world
- b) Non-residents and the rest of the world
- c) Residents of a nation and non-residents
- d) None of the above

14. Trade Deficit occurs when _____.

- a) Export of goods is less than imports of goods
- b) Export of goods is more than imports of goods
- c) Export of services is less than imports of services
- d) Export of services is more than imports of services

15. Term HYVP stands for-

- a) High Yielding Varieties Product
- b) High Yielding Various Programme
- c) High Yielding Varieties Programme
- d) High Yielding Various Products

16. In which year was the Planning Commission set up in India?

- a) 5th March, 1951
- b) 25th April, 1951
- c) 20th March, 1951
- d) 15th March, 1950

17. _____ refers to transfer of ownership, management and control of the public sector enterprises to the entrepreneurs in the private sector.

- a) Liberalization
- b) Globalization
- c) Privatization
- d) None of these

18. Which source of credit had emerged to fully integrate the formal credit system into the overall rural social and community development?

- (a) Self-help Groups
- (b) Regional Rural Banks
- (c) Commercial Banks
- (d) Land Development Banks

19. Which of the following is not taken into account for calculating the Gross National Product?

- (a) Net foreign investment
- (b) Private investment
- (c) Per capita income of citizens
- (d) Purchase of goods by government

20. 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 above

21. One of the essential conditions of monopolistic competition is-

- a) Many buyers but one seller
- b) Price discrimination
- c) Homogenous product
- d) Product differentiation

22. How will the reduction in Bank Rate affect availability of credit?

- a) Credit will decrease
- b) Credit will not increase
- c) Credit will increase
- d) None of the above

23. The goal of a pure market economy is to meet the desire of _____.

- a) Consumers
- b) Companies
- c) Workers
- d) The government

24. The Net National Product at factor cost by income method using the following data will be-.

A.	Compensation of employees	1200
B.	NFIA	-20
C.	NIT	120
D.	Profit	800
E.	Private final consumption expenditure	2000
F.	Net domestic capital formation	770
G.	Consumption of fixed capital	130
H.	Rent	400
I.	Interest	620
J.	Mixed income of self-employed	700
K.	Net exports	-30
L.	Government final consumption expenditure	1100

- a) 3500
- b) 3750
- c) 3720
- d) 3350

25. Which of the following is an example of an agricultural price support program?
- A price ceiling
 - A price floor
 - Equilibrium pricing
 - None of the above
26. What is Gross Domestic Product?
- The total value of goods and services manufactured in the country
 - The total value of all the transactions in the country
 - The reduction in the total value of goods and services produced in the country
 - The monetary value of all finished goods and services made within a country during a specific period.
27. If NNP at MP=Rs 5,330, indirect tax=1,770 and consumption of fixed capital = Rs 1,550 then GNP_{FC} will be x. The value of x is-
- Rs.4,110
 - Rs.5,000
 - Rs.5,110
 - Rs.6,000
28. _____ shows the different combinations of two goods, each combination offering the same level of satisfaction.
- Indifference diagram
 - Indifference map
 - Indifference curve
 - None of the above
29. Budget Line Formula $M =$ _____.
- $M = (P_x * x) + (P_y * y)$
 - $M = (P_x * y) + (P_y * x)$
 - $M = (P_{xy}) * (P_{yx})$
 - $M = (P_x - x) - (P_y - y)$
30. GDP at factor cost equals the total value added at factor cost of all producers. Which of the following can be used to discover this total?
- The total operating surpluses of all producers.
 - The total compensation of employees of all producers.
 - The total compensation of employees of all producers plus the total operating surpluses of all producers
 - The total compensation of employees of all producers minus the total operating surpluses of all producers

31. Slope of demand curve is _____.

- a) P/Q
- b) ΔQ
- c) ΔP
- d) $\Delta P/\Delta Q$

32. The long-run period is a _____ concept.

- (a) Economical
- (b) Functional
- (c) Productional
- (d) None of the above

33. Which of the following are the reasons for diminishing returns to a factor?

- (a) Over utilisation of fixed factors
- (b) Indivisibility of fixed factors
- (c) Increased efficiency of variable factors.
- (d) All of the above

34. When MP is zero TP is _____.

- (a) Constant
- (b) Maximum
- (c) Minimum
- (d) Negative

35. Calculate TP at 3rd unit from the following:

Variables	MP
1	26
2	20
4	18
4	15

- (a) 64
- (b) 46
- (c) 24
- (d) 38

36. Identify the phase in the following table:

Variable Factor	TP
0	0
1	8
2	15

- a) First phase
- (b) Second phase
- (c) Third phase
- (d) None of the above

37. Which of the following statements is true?

1. Total welfare is affected by many factors including economic welfare.
2. Economic welfare refers to living standards.

- a) Both 1 and 2
- b) Only 1
- c) Only 2
- d) Neither 1 nor 2

38. Which of the following was the main reason for stagnation in the agricultural sector during the British rule?

- a) Technological deceleration
- b) Problems of irrigation facilities
- c) Land Settlement systems
- d) De-industrialization

39. What is the name of the tax introduced by Indian Parliament in 2016 to unify the indirect tax system in India?

- a) Sales tax
- b) Value-added tax
- c) Goods and Services tax
- d) Custom duty

40. Name the successor organization of General Agreement on Trade and Tariff (GATT)?

- a) World Bank
- b) International Monetary Fund (IMF)
- c) Food and Agricultural Organization (FAO)
- d) World Trade Organisation (WTO)

41. If NFIA is negative,

- (a) Factor income to abroad will be less than Factor income from abroad
- (b) Factor income to abroad will be equal to Factor income from abroad
- (c) Factor income to abroad will be more than Factor income from abroad
- (d) None of the above

42. If NFIA is positive _____.

- (a) NDPFC = NNPFC
- (b) NDPFC > NNPFC
- (c) NDPFC < NNPFC
- (d) None of the above

43. Old age pension is a _____ income.

- (a) Factor income
- (b) Transfer income
- (c) Money
- (d) None of the above

44. GDP at base year prices is called _____.

- (a) Factor GDP
- (b) Nominal GDP
- (c) Deflated GDP
- (c) Real GDP

45. The aggregates of income methods sum up to form _____.

- (a) NNMP
- (b) NNPFC
- (c) NDPFC
- (d) NDPMP

46. Non-institutional source of rural credit includes-

- a) Money lenders
- b) Commercial banks
- c) Regional Rural banks
- d) None of these

47. The apex funding agency for providing rural credit is-

- a) Regional Rural Bank
- b) NABARD
- c) SBI
- d) RBI

48. _____ is called planned investment.

- a) Ex-ante investment
- b) Ex-post investment
- c) Both (a) and (b)
- d) None of the above

49. What will be the value of APS when APC is 0

- a) 0
- b) 1
- c) 2
- d) ∞

50. If $AS=C+S$ and $AD=C+I$, then equilibrium will be established at:

- a) $S=I$
 - b) $S>I$
 - c) $S<I$
 - d) All of the above
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I.A

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