Booklet Serial No. : 0082

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TEST BOOKLET

AP (ECONOMICS) (COLLEGE CADRE) 2014

Time Allowed : 2 Hours] [Maximum Marks : 100

All questions carry equal marks.

INSTRUCTIONS

1. Immediately after the commencement of the examination, you should check that test booklet does not have any unprinted or torn or missing pages or items, etc. If so, get it replaced by a complete test booklet.
2. Write your Roll Number only in the box provided alongside. Do not write anything else on the Test Booklet.
3. This Test Booklet contains **100** items (questions). Each item comprises four responses (answers). Choose only one response for each item which you consider the best.
4. After the candidate has read each item in the Test Booklet and decided which of the given responses is correct or the best, he has to mark the circle containing the letter of the selected response by blackening it completely with Black or Blue ball pen. In the following example, response "C" is so marked :

   (A) (B) ● (D)
5. Do the encoding carefully as given in the illustrations. While encoding your particulars or marking the answers on answer sheet, you should blacken the circle corresponding to the choice in full and no part of the circle should be left unfilled.
6. You have to mark all your responses ONLY on the ANSWER SHEET separately given according to 'INSTRUCTIONS FOR CANDIDATES' already supplied to you. *Responses marked on the Test Booklet or in any paper other than the answer sheet shall not be examined.*
7. All items carry equal marks. Attempt all items. Your total marks will depend only on the number of correct responses marked by you in the Answer Sheet. There will be no negative marking.
8. Before you proceed to mark responses in the Answer Sheet fill in the particulars in the front portion of the Answer Sheet as per the instructions sent to you.
9. After you have completed the test, hand over the Answer Sheet to the Invigilator.

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1. Which of the following successive years have witnessed sub-5 percent growth of GDP of India ?

(1) 2010-11

(2) 2011-12

(3) 2012-13

(4) 2013-14

Choose the *correct* code :

(A) (1), (2) and (3) only (B) (2) and (3) only

(C) (3) and (4) only (D) (2), (3) and (4) only

2. Which of the following statements is *correct* for foodgrains production in India ?

(A) Between 2009-10 to 2012-13, it was continuously increasing

(B) Between 2009-10 to 2012-13, it was continuously decreasing

(C) Between 2009-10 to 2012-13, foodgrain production was the highest in 2012-13

(D) In 2011-12, the foodgrain production was higher than 2010-11 and 2012-13

3. Savings rate as percentage of GDP in 2012-13 was :

(A) 33.3 percent
(B) 30.1 percent
(C) 31.3 percent
(D) None of these

4. Who propounded the theory of economic drain during British rule ?

(A) M. K. Gandhi
(B) Vinoba Bhave
(C) Dadabhai Naoroji
(D) Bal Gangadhar Tilak

5. Which of the following countries is a largest producer of steel in the world ?

(A) Japan
(B) India
(C) USA
(D) China

6. World Ozone Day is celebrated on :

(A) January 30
(B) April 21
(C) September 16
(D) November 14

7. Which one of the following states have recorded the highest milk production in 2011-12 ?

(A) Gujarat (B) Uttar Pradesh

(C) Rajasthan (D) Punjab

8. The incidence of tax refers to :

(A) The rate of taxation

(B) The effect produced by the tax

(C) One who is immediately responsible to pay the tax

(D) One who bears the ultimate money burden of the tax

9. Which of the following is *not* an essential condition of pure competition ?

(A) Absence of transportation cost

(B) Homogenous product

(C) Freedom of Entry

(D) Large number of buyers and sellers

10. 'Rent is a creation of value, not of wealth.' Who made this observation ?

(A) A. C. Pigou (B) Alfred Marshall

(C) David Ricardo (D) Adam Smith

11. Which one of the following theories of trade cycle was propounded by W. S. Jeurus ?

(A) Monetary Theory

(B) Sunspot Theory

(C) Savings-Investment Theory

(D) Multiplier-Accelerator Interaction Theory

12. Who used the term 'consumption capital for consumers' goods ?

(A) Alfred Marshall (B) Karl Marx

(C) L. Walras (D) George Stiglitz

13. Which of the following does *not* match ?

(A) J. R. Hicks — Capital and Growth

(B) T. W. Schultz — Transforming Traditional Agriculture

(C) E. H. Phelps-Brown — The Economics of Labour

(D) R. Nurkse — Choice of Technique

14. In the case of a Giffen good, the demand curve will be :

(A) Horizontal to the X-axis

(B) Backward falling to the left

(C) Upward-sloping to the right

(D) Downward sloping to the right

15. If the demand for a commodity is inelastic, an increase in its price will cause the total expenditure of the consumer to :

(A) Remain the same

(B) Decrease

(C) Increase

(D) Any of these

16. Which one of the following measure of central tendency can be computed from a cumulative frequency curve ?

(A) Arithmetic Mean (B) Harmonic Mean

(C) Median (D) Mode

17. Which one of the following statistical measure is based on all observations ?

(A) Range (B) Mode

(C) Quartile Deviation (D) Harmonic Mean

18. The regression lines cut each other at the point of :

(A) Mean value of X only (B) Mean value of Y only

(C) Mean values of X and Y (D) None of these

19. There will be only one regression line in case of two variables if :

(A) $r = \pm 1$ (B) $r = 0$

(C) $r = 0.5$ (D) None of these

20. In a series of values if one value is zero, Geometric Mean is :

(A) Zero

(B) Positive

(C) Unity

(D) Indeterminate

21. The following series give ranks to two attributes :

Series I	:	1	2	3	4	5	6
Series II	:	6	5	4	3	2	1

What would be the rank correlation between them ?

(A) 0

(B) +1

(C) −1

(D) None of these

22. In a negatively skewed distribution :

(A) Mode > Median > Arithmetic Mean

(B) Median > Mode < Arithmetic Mean

(C) Mode < Median < Arithmetic Mean

(D) Arithmetic Mean > Median > Mode

23. The most important factor causing seasonal variations in a time series is :

(A) Technological changes
(B) Growth of population
(C) Change in fashion
(D) Weather and social customs

24. Paasche's index number is based on :

(A) Base year quantities
(B) Current year quantities
(C) Average of base year and current year quantities
(D) Geometric mean of base year and current year quantities

25. Which of the following market situations explains marginal cost equal to price for attaining equilibrium ?

(A) Monopoly only
(B) Imperfect competition
(C) Perfect competition
(D) Oligopoly

26. The slope of the TVC curve indicates the :

(A) Average cost
(B) Variable cost
(C) Marginal revenue
(D) Marginal cost

27. The opportunity costs are also known as :

(A) Money costs (B) Spill-over costs

(C) Alternative costs (D) External costs

28. The elasticity of demand is equal to unity while marginal revenue is :

(A) Zero (B) Positive

(C) Negative (D) Indeterminate

29. Income elasticity of demand will be zero when a given change in income brings about :

(A) The same proportionate change in demand

(B) The more than proportionate change in demand

(C) The less than proportionate change in demand

(D) No change in demand

30. The area which lies under the demand curve for a given commodity represents :

(A) Disutility (B) Total utility

(C) Marginal utility (D) None of these

31. In case of an inferior commodity, the income elasticity of demand is :

(A) Positive
(B) Negative
(C) Unity
(D) Infinity

32. A rightward shift in the supply curve indicates :

(A) An increase in quantity supplied
(B) A decrease in quantity supplied
(C) In increase in supply
(D) A decrease in supply

33. Excess capacity is not found under :

(A) Perfect competition
(B) imperfect competition
(C) Monopoly
(D) Oligopoly

34. Under price discrimination, price will be higher in the market where demand is :

(A) Less elastic
(B) Highly elastic
(C) Unitary elastic
(D) Perfectly elastic

35. In which of the following census years, sex ratio in India was the highest ?

(A) 2011 (B) 1961

(C) 1981 (D) 1951

36. The difference in literacy rates of males and females (for India) in year 2011 was :

(A) More than 22 percent (B) Between 20-22 percent

(C) Between 18-20 percent (D) Less than 18 percent

37. Which of the following is *not* the characteristics of public goods ?

(A) Externalities (B) Exclusion principle

(C) Non-divisibility (D) Non-rival consumption

38. With which of the theories of profit, the name of F. B. Hawley is associated ?

(A) The risk theory

(B) The dynamic theory

(C) The marginal productivity theory

(D) The uncertainty-bearing theory

39. If sales tax is imposed on a commodity, what would be the situation in the new market equilibrium ?

(A) Price would be higher but quantity would be less

(B) Price would be higher but quantity would be more

(C) Price would be less but quantity would be more

(D) Price would be less but quantity would be less

40. Which of the following is an example of joint demand ?

(A) Tea and Coffee

(B) Car and Petrol

(C) Fountain Pen and Pencil

(D) Ghee and Refined Oil

41. The consumption function in Samuelson's model of trade cycle is :

(A) $C_t = C_o + bY_t$

(B) $C_t = C_o + bY_{t-2}$

(C) $C_t = C_o + b \cdot Y_{t-1}$

(D) $C_{t+1} = - C_o + bY_{t-1}$

42. Which of the following is the most suitable indicator of least aggregate sacrifice principle ?

(A) Equal absolute sacrifice
(B) Equal proportionate sacrifice
(C) Equal marginal sacrifice
(D) None of these

43. In the Cobb-Douglas production function, the elasticity of substitution between factors is :

(A) Zero
(B) Less than unity
(C) More than unity
(D) Unity

44. Who propounded the law that public expenditure increases in jerks and step-like fashion rather than in a smooth and continuous fashion ?

(A) Pigou
(B) Wagner
(C) Bastable
(D) Wiseman and Peacock

45. The relationship between tax rates and changes in tax revenue is explained with the help of :

(A) Lorenz Curve
(B) Laffer Curve
(C) Lagrange Theorem
(D) Phillips Curve

46. Which of the following canons of taxation were propounded by Adam Smith ?

(1) Canon of Equity

(2) Canon of Elasticity

(3) Canon of Economy

(4) Canon of Certainty

(5) Canon of Convenience

Code :

(A) (1), (2), (3) and (4) (B) (1), (3), (4) and (5)

(C) (2), (3) (4) and (5) (D) (1), (2), (3) and (5)

47. Which one of the following is *not* a source of non-tax revenue ?

(A) Interest receipts (B) Commercial revenue

(C) License fee (D) Capital levy

48. Which one of the following is *not* a qualitative credit control measure of a Central Bank ?

(A) Credit rationing (B) Open market operations

(C) Variable interest rates (D) Margin requirements

49. On whose recommendation, S.B.I. was established ?

(A) Niyogi Committee (B) Lakdawala Committee

(C) V. K. R. V. Rao Committee (D) Gorewala Committee

50. Who has given the following equation ?

$$P = \frac{KR}{M} \{C + R(1 - C)\}$$

(A) Robertson (B) Pigou

(C) Keynes (D) Fisher

51. When a government spends more than its revenue collection, such excess is known as :

(A) Revenue deficit (B) Fiscal deficit

(C) Primary deficit (D) None of these

52. Which of the following fulfills the criterion of horizontal and vertical equity in taxation ?

(A) Benefit approach

(B) Expediency approach

(C) Ability-to-pay approach

(D) Socio-political approach

53. With which of the following theories of wages, the name of J. S. Mill is associated ?

(A) Iron law of wages

(B) Marginal productivity theory

(C) Subsistence theory

(D) Wage fund theory

54. Devaluation will help in improving the balance of payments of a country if the sum of the elasticity of demand for imports and exports is :

(A) Zero

(B) Less than one

(C) More than one

(D) Unity

55. The concept of offer curves has been given by :

(A) Prebisch-Singer

(B) Ellsworth

(C) Marshall-Edgeworth

(D) A. P. Lerner

6. Which factor among the following, creates obstacle in correct measurement of national income ?

(A) Inflation (B) Under-employment

(C) Low rate of savings (D) Non-monetised sector

57. According to Keynes, investors prefer holding money rather than bonds when they expect :

(A) Interest rates to rise

(B) Interest rates to fall

(C) Bond prices to rise

(D) Interest rates to remain constant

58. On which of the following assumptions, the comparative cost theory of trade is based ?

(A) Labour theory of value

(B) Absence of transportation cost

(C) Two countries and two commodities

(D) All of the above

59. For a monopolist, the slope of the total cost curve is 12 and the average cost is 15 at that level of output. For maximum profit, the marginal revenue will be :

(A) 3 (B) 15

(C) 12 (D) 27

60. Which of the following items will be called as a visible item in the balance of payment ?

(A) Freight charges of the shipping

(B) Export of the commodities

(C) Capital investment by the foreigners

(D) Government expenditure in foreign countries

61. The term 'demographic dividend' refers to :

(A) Declining crude birth rate

(B) Declining total fertility rate

(C) Increasing life expectancy at birth

(D) Young population and the declining dependency ratio

62. Which of the following items will be called as a visible item in the balance of payment of a country ?

(A) Export of the commodities

(B) Government expenditure in foreign countries

(C) Freight charges

(D) Capital investment by the foreigners

63. A progressive tax refers to :

(A) Equal amount of tax on each individual

(B) Same percentage of tax on every individual

(C) Higher percentage of tax will the increase in income

(D) Higher percentage of tax with the decrease in income

64. Which is *correct* for liquidity trap ?

(A) It is a unitary elastic curve

(B) It is perfectly inelastic curve

(C) It is inelastic curve

(D) It is perfectly elastic curve

65. Who among the following held the view that 'savings and investment are always equal but they are not always in equilibrium' ?

(A) K. Wicksell (B) J. M. Keynes

(C) A. Marshall (D) J. S. Mill

66. Which one of the following stages of economic growth has not been stated by Rostow ?

(A) Stage of take-off

(B) Stage of traditional society

(C) Stage of mass consumption

(D) Stage of monopoly capitalism

67. Who among the following economists, has not advocated the concept of 'unbalanced growth' ?

(A) H. W. Singer (B) A. O. Hirschman

(C) R. Rodan (D) R. Prebisch

68. The concept of 'backwash effect' is attributed to :

(A) G. Myrdal

(B) A. Lewis

(C) R. Nurkse

(D) H. Leibenstein

69. The process of growth is essentially unstable. Who among the following held this view ?

(A) Joan Robinson

(B) Harrod-Domar

(C) R. M. Solow

(D) J. E. Meade

70. The knife edge problem in Harrod's model of growth is due to :

(A) Stable saving function

(B) Non-operation of accelerator

(C) Unchanging technique of production

(D) All of the above

71. The concept of 'golden age' is given by :

(A) Schumpeter

(B) Joan Robinson

(C) Solow

(D) Romar

72. Which one of the following does *not* help in increasing productivity ?

(A) Learning by doing

(B) Migration from low productive to high productive regions

(C) Increase in capital-output radio

(D) Increasing the education and skill of the labours

73. The rate at which RBI lends to commercial banks in the short-run is known as :

(A) Bank Rate (B) Discount Rate

(C) Repo Rate (D) Reverse Repo Rate

74. Which of the following sector contributes maximum to India's GDP ?

(A) Services (B) Agriculture

(C) Manufacturing (D) Forestry

75. Match List I with List II and select the *correct* answer using the codes given below the lists :

List I		List II	
(*a*)	White Revolution	(1)	Foodgrains
(*b*)	Yellow Revolution	(2)	Oilseeds
(*c*)	Green Revolution	(3)	Fish and agriculture
(*d*)	Blue Revolution	(4)	Milk and milk products

Codes :

	(*a*)	(*b*)	(*c*)	(*d*)
(A)	(4)	(2)	(1)	(3)
(B)	(4)	(2)	(3)	(1)
(C)	(2)	(4)	(3)	(1)
(D)	(2)	(4)	(1)	(3)

76. Who among the following did *not* estimate the poverty in India ?

(A) P. K. Bardhan

(B) B. S. Minhas

(C) Tendulkar

(D) P. R. Brahmananda

77. A kinked demand curve is possible only in :

(A) Perfect competition
(B) Monopolistic competition
(C) Oligopoly
(D) Monopoly

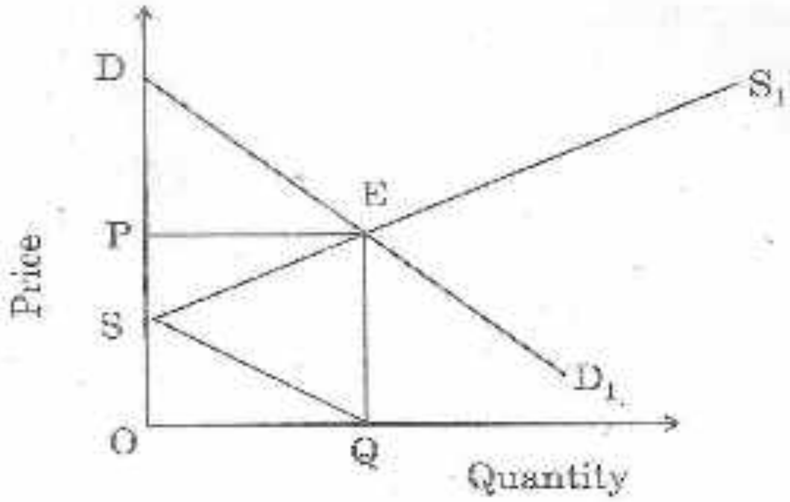
78. Who among the following group of economists analysed the gains from devaluation through elasticities of export and import demand ?

(A) Mill and Marshall
(B) Marshall and Lerner
(C) Mill and Lerner
(D) Mundell and Lerner

79. Total product is exhausted when factors of production are paid according to their respective marginal products provided that the production function is homogenous of degree (n) where :

(A) $n = 1$
(B) $n = 2$
(C) $n =$ infinity
(D) $n = 0$ (zero)

80. In the following diagram, producer's surplus is equal to the area given by :



(A) Δ EPD
(B) Δ EPS
(C) Δ SED
(D) Δ SOQ

81. What is the approximate length of Himachal's border with J & K, Punjab, Haryana and Uttarakhand ?

(A) 550 kms.
(B) 785 kms.
(C) 970 kms.
(D) 1220 kms.

82. In which district of H. P. is Mahakali lake ?

(A) Kinnaur
(B) Chamba
(C) Lahaul-Spiti
(D) Sirmaur

83. Which one of the following is *not* a tributary of the Ravi ?

(A) Chhatrari (B) Padar

(C) Saal (D) Baljori

84. Which category of families are covered under *Beti Hai Anmol Yojana* in H. P. ?

(A) all dalit families

(B) all BPL families

(C) all BPL families with one girl child

(D) all BPL families with two girl children

85. What facilities are *not* covered under the *Jan Sewa Kendras* in H. P. ?

(A) Govt. to citizen (G 2 C)

(B) Business to citizen (B 2 C)

(C) Citizen to citizen (C 2 C)

(D) Citizen to Govt. (C to G)

86. What was the per capita income (at current prices) during 2012-13 in H. P. ?

(A) ₹ 75185 (B) ₹ 78210

(C) ₹ 80370 (D) ₹ 83899

87. At which place is cement factory in Sirmaur district ?

(A) Rajban (B) Dhaula Kuan

(C) Trilokpur (D) Suketi

88. On which river is Karchham Wangtu hydel project ?

(A) Baspa (B) Satluj

(C) Pabbar (D) Tons

89. Who prompted Raja Amar Chand of Bilaspur princely state to start the Nalwari fair ?

(A) Viceroy of India

(B) Governor of Punjab

(C) Superintendent of Shimla Hill States

(D) Dewan in the Court of Raja Amar Chand

90. When was president's rule imposed in H. P. ?

(A) 1989
(B) 1990
(C) 1992
(D) 1998

91. Which day is observed as world standards day ?

(A) April 14
(B) August 02
(C) October 14
(D) November 14

92. When did China lease Hong Kong to Britain for 99 years ?

(A) 1898
(B) 1901
(C) 1909
(D) 1914

93. Who is the present interlocutor in the Naga peace talks ?

(A) R. S. Pandey
(B) Swaraj Kaushal
(C) K. Padamanabhaiah
(D) R. N. Ravi

94. For which activity has Kailash Satyarthi been chosen as one of the winners of 2014 Nobel Prize for Peace ?

(A) Fight against terrorism

(B) Fight against communal violence

(C) Fight against child labour and trafficking

(D) Fight against environmental pollution

95. What is the tag line of BSNL ?

(A) Connecting people (B) Connecting India

(C) Let us make things better (D) Your partner for news

96. With which game is Gitika Jakhar, who won a Bronze Medal at the 2014 Asian Games, associated ?

(A) Kabaddi (B) Wrestling

(C) Squash (D) Boxing

97. Who is nicknamed as *Bangabandhu* ?

(A) Sheikh Mujibur Rahman (B) C. R. Das

(C) Subhash Chandra Bose (D) Surendra Nath Banerjee

98. Which time slot is treated as zero hour in the Indian Parliament ?

(A) 11.00 am to 12.00 noon (B) 12.00 noon to 1.00 p.m.

(C) 10.00 a.m. to 11.00 a.m. (D) 1.00 p.m. to 2.00 p.m.

99. Which planet has the largest number of satellites ?

(A) Jupiter (B) Saturn

(C) Uranus (D) Neptune

100. Who holds the record of having polled highest number of votes for getting elected to the Lok Sabha ?

(A) Ram Vilas Paswan (B) Pritam Munde

(C) Supriya Sule (D) Anil Basu