

Paper Code : 2305

Ph. D. (Economics) Entrance Examination 2023-24

Time : 2 Hours

Do not open this Test Booklet until you are asked to do so.

Maximum Marks : 100

Immediately fill in the particulars on this page of the Question Booklet and the Answer Sheet with Blue/Black Ball Point Pen. Use of pencil is strictly prohibited.

Name of the candidate (In Capital Letters)

: _____

Roll Number (In Figure):

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(In Words) :

Name of Examination Centre (in Capital Letters) : _____

Important Instructions :

Invigilator's Signature _____

This booklet contains 100 objective type questions. First 50 questions of Research Methodology and Second 50 questions of Subject Specific. Each having four options a, b, c, d.

1. Candidates are not allowed to carry textual material printed or written, bits of papers, pages, mobile phone, electronic device or any other material except the Admit Card inside the Examination Hall/Room.
2. The candidates should fill in the required particulars on the Test Booklet and Answer Sheet with Blue/Black Ball Point Pen.
3. The candidate should not write their Roll Number anywhere else (except in the specified space) on the Test Booklet/Answer Sheet.
4. Out of the four options given for each question, the candidate must mark one correct option as an answer only.
5. There is no negative marking for any wrong answer.
6. Handle the Test Booklet and Answer Sheet with care, as under no circumstances (except for discrepancy in the Test Booklet Code and Answer Sheet Code), will another set be provided.
7. The candidates are not allowed to do any rough work or writing work on the Answer Sheet. All calculations/writing work are to be done in the space available in the Test Booklet itself.
8. Each candidate must show on demand her Admit Card to the Invigilator.
9. No candidate, without special permission of the Superintendent or Invigilator, should leave her seat.
10. The candidate should not leave the Examination Hall without handing over their Answer Sheet and Test Booklet to the invigilator on the duty and signing the Attendance Sheet.
11. No part of the Test Booklet and Answer Sheet shall be detached under circumstances.

NOTE : THIS BOOKLET SHALL BE RETAINED FOR SIX MONTH ONLY.

RESEARCH METHODOLOGY

1. What is the name of the conceptual framework in which the research is carried out ?
 - (a) Research hypothesis
 - (b) Synopsis of research
 - (c) Research paradigm
 - (d) Research design
2. What is the major attribute of Correlation Analysis ?
 - (a) Association among variables
 - (b) Difference among variables
 - (c) Regression among variables
 - (d) Variations among variables
3. Which of the following features are considered as critical in qualitative research ?
 - (a) Collecting data with the help of standardized research tools.
 - (b) Design sampling with probability sample techniques.
 - (c) Collecting data with bottom-up empirical evidence.
 - (d) Gathering data with top-down schematic evidence.
4. How is random sampling helpful ?
 - (a) Reasonably accurate
 - (b) An economical method of data collection
 - (c) Free from personal biases
 - (d) All of the above

5. A research intends to explore the result of possible factors for the organization of effective mid-day meal interventions. Which research method will be most appropriate for this study ?
- (a) Descriptive survey method
 - (b) Historical method
 - (c) Ex-post facto method
 - (d) Experimental method
6. In order to pursue the research, which of the following is priorly required ?
- (a) Developing a research design
 - (b) Formulating a research question
 - (c) Deciding about the data analysis procedure
 - (d) Formulating a research hypothesis
7. The format of thesis writing is the same as in :
- (a) Writing of Seminar representation
 - (b) Preparation of research paper/article
 - (c) A research dissertation
 - (d) Presenting a workshop/conference paper
8. Which one among the following statements is false in the context of participatory research ?
- (a) It recognizes knowledge as power
 - (b) It is a collective process of inquiry
 - (c) It emphasizes people as experts
 - (d) Its sole purpose is the production of knowledge

9. Which one among the following statements is *true* in the context of the testing of hypotheses ?
- (a) It is only the alternative hypotheses that can be tested.
 - (b) It is only the null hypotheses that can be tested.
 - (c) Both the alternative and the null hypotheses can be tested.
 - (d) Both the alternative and the null hypotheses cannot be tested.
10. Research and Development become the index of development of the country. Which of the following reasons are true with regards to this statement?
- (a) R&D targets human development
 - (b) R&D can enhance people's standard of living in the country
 - (c) R&D reflects the actual economic and social conditions being prevailed in the country
 - (d) All of the above
11. What does the longitudinal research approach actually deal with ?
- (a) Long-term research
 - (b) Short-term research
 - (c) Horizontal research
 - (d) None of the above
12. What do you understand by the term "Anusandhan" ?
- (a) Goal-oriented
 - (b) Following an aim
 - (c) Attaining an aim
 - (d) Praying to achieve an aim

- 13.** Which of the following does not correspond to characteristics of research?
- (a) Research is not passive
 - (b) Research is systematic
 - (c) Research is not problem-oriented
 - (d) Research is not a process
- 14.** Which of the following options are the main tasks of research in modern society ?
- (a) To learn new things
 - (b) To keep pace with the advancement in knowledge
 - (c) To systematically examine and critically analyze the investigations/ sources with the objective
 - (d) All of the above
- 15.** What is the main aim of interdisciplinary research ?
- (a) To oversimplify the problem of research
 - (b) To bring out the holistic approach to research
 - (c) To create a new trend in research methodology
 - (d) To reduce the emphasis on a single subject in the research domain
- 16.** The main aim of the scientific method in the research field is to :
- (a) Improve data interpretation
 - (b) Confirm triangulation
 - (c) Eliminate spurious research
 - (d) Introduce new variables

17. A researcher is interested in studying the prospects of a particular political party in an urban area. So, what tool should he prefer for the study ?
- (a) Rating Scale (b) Questionnaire
(c) Interview (d) Schedule
18. The conclusions/findings of which type of research cannot be generalized to other situations ?
- (a) Casual Comparative Research
(b) Historical Research
(c) Descriptive Research
(d) Experimental Research
19. How to judge the depth of any research ?
- (a) By research title
(b) By research duration
(c) By research objectives
(d) By total expenditure on research
20. Who can successfully conduct Research ?
- (a) Someone who is a hard worker
(b) Someone who possesses post-graduation degree
(c) Someone who has studied research methodology
(d) Someone who possesses thinking and reasoning ability

21. Which of the following is *not* the method of Research ?

- (a) Survey
- (b) Historical
- (c) Observation
- (d) Philosophical

22. A research problem is feasible only when :

- (a) It has utility and relevance
- (b) It is new and adds something to knowledge
- (c) It is researchable
- (d) All of the above

23. Circle graphs are used to show :

- (a) How is one part related to other parts ?
- (b) How are various sections share in the whole ?
- (c) How is one whole related to another whole ?
- (d) How are various parts related to the whole ?

24. Authenticity of a research finding is its :

- (a) Validity
- (b) Objectivity
- (c) Originality
- (d) All of these

25. Which one is called non-probability sampling ?

- (a) Quota sampling
- (b) Cluster sampling
- (c) Systematic sampling
- (d) Stratified random sampling

26. What does a good thesis involve ?

- (A) Reducing punctuations as well as grammatical errors to minimalist
- (B) Correct reference citations
- (C) Consistency in the way of thesis writing
- (D) Well defined abstract

Select the answers from the codes given below :

- (a) (B), (C) and (D)
- (b) (A), (B), (C) and (D)
- (c) (A), (B) and (C)
- (d) (A), (B) and (D)

27. On what basis did Jean Piaget give his theory of cognitive development of humans ?

- (a) Evaluation Research
- (b) Fundamental Research
- (c) Applied Research
- (d) Action Research

28. What are the core elements of a dissertation ?

- (a) Introduction; Data Collection; Data Analysis; Conclusions and Recommendations
- (b) Executive Summary; Literature Review; Data Gathered; Conclusions; Bibliography
- (c) Research Plan; Research Data; Analysis; References
- (d) Introduction; Literature Review; Research Methodology; Results; Discussions and Conclusions

- 29.** "Sampling Cases" can be defined as :
- (a) Sampling using a sampling frame
 - (b) Identifying people who are suitable for research
 - (c) Literally the researcher's brief case
 - (d) A sampling of people, newspapers, television programs etc.
- 30.** Which technique is generally followed when the population is finite ?
- (a) Systematic Sampling Technique
 - (b) Purposive Sampling Technique
 - (c) Area Sampling Technique
 - (d) None of the above
- 31.** Research problem is selected from the standpoint of :
- (a) Social relevance
 - (b) Financial support
 - (c) Researcher's interest
 - (d) Availability of relevant literature
- 32.** Which one among the following is the most comprehensive source of population data ?
- (a) Census
 - (b) National Sample Surveys
 - (c) Demographic Health Surveys
 - (d) National Family Health Surveys

- 33.** The process not needed in experimental research is :
- (a) Controlling
 - (b) Observation
 - (c) Reference collection
 - (d) Manipulation and replication
- 34.** What are those conditions where a research problem is *not* viable ?
- (a) It is new and adds something to knowledge
 - (b) It can be researched
 - (c) It has utility and relevance
 - (d) It contains dependent and independent variables
- 35.** How can we enhance the research objective ?
- (a) By making it more valid
 - (b) By making it more reliable
 - (c) By making it more impartial
 - (d) All of the above
- 36.** Action-research can be understood as :
- (a) A longitudinal research
 - (b) An applied research
 - (c) A kind of research being carried out to solve a specific problem
 - (d) All of the above

- 37.** On what basis can one formulate the assumptions ?
- (a) The cultural background of the country
 - (b) Universities
 - (c) Some specific characteristics of castes
 - (d) All of the above
- 38.** Which one among the following falls under the category of research development ?
- (a) Descriptive Research
 - (b) Philosophical Research
 - (c) Action Research
 - (d) All of these
- 39.** What is the use of Factorial Analysis ?
- (a) For setting the hypotheses
 - (b) To understand the difference between two variables
 - (c) To understand the relationship between two variables
 - (d) To understand the difference between various variables
- 40.** What is the best-suited name for a process that doesn't necessitate experimental research ?
- (a) Manipulation
 - (b) Controlling
 - (c) Content analysis
 - (d) Observation
- 41.** Which one among the following variables cannot be expressed in quantitative terms ?
- (a) Numerical Aptitude
 - (b) Marital Status
 - (c) Socio-economic Status
 - (d) Professional Attitude

42. The "Sociogram" technique is used to study :
- (a) Vocational Interest
 - (b) Human Relations
 - (c) Professional Competence
 - (d) Achievement Motivation
43. Which one among the following phrases does not correspond to the meaning of research as a process ?
- (a) Problem Solving
 - (b) Trial and Error
 - (c) Objective Observation
 - (d) Systematic Activity
44. Research can be classified as :
- (a) Basic, Applied and Action Research
 - (b) Quantitative and Qualitative Research
 - (c) Philosophical, Historical, Survey and Experimental Research
 - (d) All of the above
45. The first step of research is :
- (a) Selecting a problem
 - (b) Searching a problem
 - (c) Finding a problem
 - (d) Identifying a problem
46. A research problem is feasible only when :
- (a) It has utility and relevance
 - (b) It is researchable
 - (c) It is new and adds something to knowledge
 - (d) All of the above

47. Bibliography given in a research report :

- (a) shows vast knowledge of the researcher
- (b) helps those interested in further research
- (c) has no relevance to research
- (d) All of the above

48. Fundamental research reflects the ability to :

- (a) Synthesize new ideals
- (b) Expound new principles
- (c) Evaluate the existing material concerning research
- (d) Study the existing literature regarding various topics

49. The experimental study is based on :

- (a) The manipulation of variables
- (b) Conceptual parameters
- (c) Replication of research
- (d) Survey of literature

50. The main characteristic of scientific research is :

- (a) empirical
- (b) theoretical
- (c) experimental
- (d) All of these

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51. Match the following :

List I

- (I) Theory of Probability
- (II) Mean
- (III) Normal Distribution
- (IV) Sample

List II

- 1. Single value of represent distribution
- 2. Uncertain events
- 3. Mini replica of population
- 4. Symmetrical with almost total area within $M \pm 3\sigma$ (mean ± 3 (sigma))

Codes :

	(I)	(II)	(III)	(IV)
(a)	1	2	3	4
(b)	4	3	2	1
(c)	2	1	4	3
(d)	4	1	2	3

52. Match the following :

List I

- (I) Box-Jenkins Method
- (II) Unit-root test
- (III) Durbin-Watson 'd' statistic
- (IV) Granger test

List II

- 1. Causality
- 2. Forecasting
- 3. Stationarity
- 4. Autocorrelation

Codes :

	(I)	(II)	(III)	(IV)
(a)	3	1	2	4
(b)	2	3	4	1
(c)	1	2	3	4
(d)	4	1	2	3

- 53.** In a binomial distribution, the sum of mean and variance is 15 and the product of mean and variance is 54, then the number of observations (n) is equal to :
- (a) 27
 - (b) 30
 - (c) 24
 - (d) 33
- 54.** In a two variable regression Y is dependent variable and X is independent variable. The correlation coefficient between Y and X is 0.7. For this which of the following results is *correct* ?
- (a) 70% variations in Y are explained by X.
 - (b) 49% variations in Y are explained by X.
 - (c) 7% variations in Y are explained by X.
 - (d) None of the above.
- 55.** The value of χ^2 in a 5×6 contingency table is computed as 9.0. The Null hypothesis of no association will be tested at 5% level of significance, if this value is less than or equal to the value of χ^2 from the table at degrees of freedom :
- (a) 8
 - (b) 16
 - (c) 20
 - (d) 13

56. Assertion (A) : Fisher's index is an ideal index.

Reasoning (R) : Fisher's index satisfies Time Reversal and Factor Reversal Tests.

Codes :

- (a) (A) is true, but (R) is false.
- (b) Both (A) and (R) are true, but (R) is not correct explanation of (A).
- (c) Both (A) and (R) are true and (R) is correct explanation of (A).
- (d) (A) is false, but (R) is true.

57. Given the sample size 900 with sample mean 99, the population mean 100 and computed value of z-statistic at -3.0 , the value of population standard deviation will be :

- (a) 15.9
- (b) 10.0
- (c) 16.9
- (d) 36.0

58. A bag contains 6 red, 6 white and 4 green balls. One ball is randomly drawn from the bag. What is the probability that it is green ?

- | | |
|-------------|------------|
| (a) $12/15$ | (b) $1/24$ |
| (c) $1/4$ | (d) $1/2$ |

59. In a two-variable (X and Y) regression analysis, the regression coefficients are $b_{xy} = 0.9$ and $b_{yx} = 0.7$. If Y is dependent variable and X is independent variable, what is the percentage of variations in Y explained by X ?

- (a) 47%
- (b) 53%
- (c) 63%
- (d) 52%

60. By autocorrelation we mean that :

- (a) the residuals of a regression model are not independent.
- (b) the residuals of a regression model are related with one or more of the regressors.
- (c) the square of the residuals of a regression model are not equally spread.
- (d) the variance of the residuals of a regression model is not constant for all observations

61. With reference to the India economy, what are the advantages of “Inflation-Indexed Bonds (IIBs)” ?

- (1) Government can reduce the coupon rates on its borrowing by way of IIBs.
- (2) IIBs provide protection to the investors from uncertainty regarding inflation.
- (3) The interest received as well as capital gains on IIBs are not taxable.

Which of the statements given above are *correct* ?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

62. Consider, the following statements :

Statement I : India accounts for 3.2% of global export of goods.

Statement II : Many local companies and some foreign companies operating in India have taken advantage of India's 'Production-linked Incentive' scheme. Which one of the following is *correct* in respect of the above statements ?

- (a) Both Statement-I and Statement-II are correct and Statement-II is the correct explanation for Statement-I
- (b) Both Statement-I and Statement-II are correct and Statement-II is not the correct explanation for Statement-I
- (c) Statement-I is correct but Statement-II is incorrect
- (d) Statement-I is incorrect but Statement-II is correct

63. In India, which one of the following is responsible for maintaining price stability by controlling inflation ?

- (a) Department of Consumer Affairs
- (b) Expenditure Management Commission
- (c) Financial Stability and Development Council
- (d) Reserve Bank of India

64. With reference to the casual workers employed in India, consider the following statements :

- (1) All casual workers are entitled to Employees Provident Fund Coverage.
- (2) All casual workers are entitled to regular working hours and overtime. payment.
- (3) The government can by notification specify that an establishment or industry shall pay wages only through its bank account.

Which of the above statements are *correct* ?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

- 65.** The national income of a country for a given period is equal to the :
- (a) Total value of goods and services produced by the nationals
 - (b) Sum of total consumption and investment expenditure
 - (c) Sum of personal income of all individuals
 - (d) Money value of final goods and services produced
- 66.** Which one of the following groups of items is included in India's foreign-exchange reserves ?
- (a) Foreign-currency assets, Special Drawing Rights (SDRs) and loans from foreign countries
 - (b) Foreign-currency assets, gold holdings of the RBI and SDRs
 - (c) Foreign-currency assets, loans from the World Bank and SDRs
 - (d) Foreign-currency assets, gold holdings of the RBI and loans from the World Bank
- 67.** The money multiplier in an economy increases with which one of the following ?
- (a) Increase in the cash reserve ratio
 - (b) Increase in the banking habit of the population
 - (c) Increase in the statutory liquidity ratio
 - (d) Increase in the population of the country

68. In Keynesian system speculative demand for money arises because of :

- (A) Uncertain of future interest rates
- (B) Unexpected expenditure
- (C) To bridge the gap between income and eventual expenditure
- (D) Relationship between changes in the interest rates and bond price

Codes :

- (a) (A) and (C) are correct
- (b) (B) and (C) are correct
- (c) (A) and (D) are correct
- (d) (C) and (D) are correct

69. When the current income includes negative transitory component, relating consumption with current income will produce :

- (a) An average propensity to consume that is lower than the long run average propensity to consume
- (b) An average propensity to consume that is higher than the average long run propensity to consume
- (c) An average propensity to consume that equals the long run average propensity to consume
- (d) None of the above

70. Which of the following is the best explanation for 'Capital Gains Tax' in India?
- (a) It is a tax levied on the profits from the selling of shares that were held for more than 12 months
 - (b) It is a tax levied on the interest that was received from bank fixed deposits
 - (c) It is a tax levied on the profits from the sale of a capital asset during the financial year
 - (d) It is the tax levied on dividends received from corporate bonds
71. New classical Phillips' wage inflation unemployment trade off is based on :
- (a) Rational expectation hypothesis
 - (b) Adaptive expectation hypothesis
 - (c) Both (a) and (b) are correct
 - (d) Static expectation hypothesis
72. Tobin's q-theory of investment indicates that firms add to their stock of capital when :
- (a) The replacement value of their real assets exceeds the market value of their financial assets.
 - (b) The market value of their financial assets exceeds the replacement value of their real assets.
 - (c) The market value of their real assets exceeds the book value of their financial assets.
 - (d) The market value of their financial assets exceeds the book value of their real assets.

73. Assuming life-cycle hypothesis, let a person starts working when he is 20 years old, works until the age of 60 and expects to die at the age of 70. If this person earns, say Rs. 1.50 lac annually when he is 20-30 years, Rs. 2 lac annually when he is 30-45 years, and Rs. 3 lac annually when he is 40-60 years, then his life time average propensity to consume is :

- (a) 0.60
- (b) 0.70
- (c) 0.90
- (d) None of the above

74. A company finds that the value of marginal product for the current level of employment is Rs. 530 and the wage rate is Rs. 450. Which of the following is correct ?

- (a) Too much labor is currently employed and the firm will lay off some workers.
- (b) The firm should shut down and produce nothing.
- (c) The firm is employing the profit-maximizing quantity of labor.
- (d) Too few workers are currently employed and the firm will hire more workers.

75. If the demand curve functions are given $P_d = 20 - 5x$ and $P_s = 4x + 8$; calculate the producer's surplus.

- (a) 31/9
- (b) 32/9
- (c) 128/8
- (d) 132/9

76. Under Cournot's duopoly model, the equilibrium price is :
- (a) Indeterminate
 - (b) Equal to competitive price
 - (c) Equal to competitive monopoly
 - (d) More than competitive price and less monopoly price
77. The following statements are given below :
- (A) An individual labour invariably shows backward bending supply curve.
 - (B) Supply of labour to an industry shows high elasticity.
- What can you say of these statements ?
- (a) Both statements (A) and (B) are correct.
 - (b) Both statements (A) and (B) are not correct.
 - (c) Statement (A) is incorrect and Statement (B) is correct
 - (d) Statement (A) is correct and Statement (B) is incorrect
78. Which of the following statements reflects the actual relationship between the marginal opportunity cost and production possibility frontier ?
- (a) When the marginal opportunity cost remains constant, the production possibility frontier is a downward sloping straight line
 - (b) When the marginal opportunity cost remains constant, the production possibility frontier is an upward sloping straight line
 - (c) When the marginal opportunity cost remains constant, the production possibility frontier is a central sloping straight line
 - (d) There is no relation between the marginal opportunity cost and the production possibility frontier

79. Identify the *incorrect* statement :

- (a) In perfect competition market, price elasticity for the product is infinite.
- (b) In monopoly market, cross elasticity of demand for commodities is near zero.
- (c) In the monopoly market, entry into the market, is easily possible
- (d) In perfect competition market entry into market is very easy.

80. The Fundamental Theorem of Welfare Economics :

- (a) That the allocation of resources generated by a complete system of perfectly competitive markets results in all consumers attaining the same utility level.
- (b) Refers to the biblical observation that "the poor you shall always have with you."
- (c) Implies that no intervention in the workings of markets can be justified on efficiency grounds.
- (d) Holds that the allocation of resources generated by a complete system of perfectly competitive markets is Pareto efficient.

81. According to physical criterion of the H-O theory of trade, a country is said to be relatively capital abundant if and only if :

- (a) A country is having capital relatively cheap and labour relative costly.
- (b) A country is endowed with a higher proportion of capital to labour than the country.
- (c) A country is having labour relatively cheap and capital relatively costly
- (d) A country is endowed with the higher proportion of labour to capital than the other country.

- 82.** Which one of the following ideas implies that businesses seek to penetrate new marketplaces over time ?
- (a) Product Cycle Theory
 - (b) Imperfect Market Theory
 - (c) Theory of Comparative Advantage
 - (d) All of the above
- 83.** A sudden shift from import tariffs to free trade may include short-term unemployment in :
- (a) Import competing industries
 - (b) Industries that are only exports
 - (c) Industries that sell domestically as well as export
 - (d) Industries that neither import or export
- 84.** The production possibility curve under increase opportunity costs is concave to the origin because :
- (a) The opportunity cost of leaving a unit of one commodity to have an additional unit of the other is constant.
 - (b) Each country completely specializes in the production of only one commodity after trade.
 - (c) They are the same at all.
 - (d) When a country in the production of one commodity in which it has comparative advantage, its opportunity cost increases

85. According to 'New Trade Theory' a firm acquires export competitiveness due to :

- (a) Specialization and economies of scale
- (b) Being the first mover in the market
- (c) Government support
- (d) All of the above

86. Assertion (A) : The opening up of trade between the two country will benefit the both.

Reason (R) : The possible barter terms of trade are set by the domestic exchange ratios established by the relative efficiency of the factors of production.

- (a) (A) is correct, (R) is not the correct explanation of (A)
- (b) Both (A) and (R) are individually true and (R) is correct explanation of (A)
- (c) (A) is correct, but (R) is not correct
- (d) (A) is not correct, but (R) is correct.

87. Which of the following events take place, when there is a deficit in the balance of payments of a nation ?

- (A) Depreciation of the nation's currency
- (B) Fall in the nation's money supply
- (C) Fall in the interest rates
- (D) Rise in investment

Codes :

- | | |
|----------------------|----------------------|
| (a) (A) and (C) only | (b) (B) and (C) only |
| (c) (A) and (B) only | (d) (C) and (D) only |

88. Assertion (A) : Use of goods and services from which one can be excluded are pure private goods.

Reason (R) : Such goods and services are not provided free by the State.

Codes :

- (a) Both (A) and (R) are correct and (R) is correct explanation of (A).
- (b) Both (A) and (R) are correct, but (R) is not correct explanation of (A).
- (c) (A) is correct, but (R) is incorrect.
- (d) (A) is incorrect, but (R) is correct.

89. 'Displacement effect' in the 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 newer activities and hence public expenditure rises steeply upwards

90. When individuals with unequal tax paying ability should be taxed unequally in order to equalise sacrifice is called :

- (a) horizontal equity
- (b) vertical equity
- (c) tax paying ability
- (d) None of these

91. Which of the following *does not* determine the nature of Public Economics?

- (a) Public economics studies the government and how its policies affect the economy.
- (b) Public economics is the study of government policy through the lens of economic efficiency and equity.
- (c) Public economics builds on the theory of welfare economics and is ultimately used as a tool to improve social
- (d) Public Economics studies the behaviour of private firms and is called economics of Private Sector.

92. Merit goods are those which, when consumed, generate positive external benefits. This is likely to mean that, in a free market economy, the good will be :

- (a) Over-consumed
- (b) Over-supplied
- (c) Subject to VAT
- (d) Under-supplied

93. Human Development Index (HDI) is constructed with reference to :

- (A) Life expectancy at birth, real GDP per capita, gross enrolment ratio, adult literacy rate.
- (B) Life expectancy at birth, real GDP per capita, combined gross enrolment ratio, adult literacy rate.
- (C) Life expectancy, GDP per capita, infant mortality rate, literacy rate.
- (D) GDP per capita, infant mortality rate, literacy rate

Codes :

- (a) (A) and (B)
- (b) (A) and (C)
- (c) (C)
- (d) (A), (B) and (D)

94. Assertion (A) : To Marx, it is surplus labour that lead to capital accumulation.

Reason (R) : The difference between actual labour and subsistence labour that a labourer puts in for which he receives nothing is surplus labour.

Codes :

- (a) (A) is correct, but (R) is not the correct reason for (A).
- (b) (A) is correct and (R) is incorrect.
- (c) Both (A) and (R) are correct.
- (d) Both (A) and (R) are incorrect.

95. Assertion (A) : Solow model is a major improvement over Harrod-Domar Model.

Reason (R) : Solow built a model of long run growth without the assumption of fixed proportion in production.

Codes :

- (a) (A) is correct, but (R) is not the correct reason of (A).
- (b) (A) is not correct, but (R) is correct.
- (c) Both (A) and (R) are correct.
- (d) Both (A) and (R) are not correct

96. What is true for neo-classical growth models ?

- (I) Rate of interest and profit are flexible.
- (II) Capital is heterogeneous.
- (III) Perfect competition prevails.
- (IV) Capital and labour are substitutable.

Choose the correct answer from the codes given below :

Codes :

- (a) Only (I), (II) and (III) are true
- (b) Only (II) and (III) are true
- (c) Only (I), (III) and (IV) are true
- (d) All of the above

97. The conjecture that inequalities of income first increase with development and then decrease with further development also known as 'Inverted U' hypothesis has been :

- (a) Supported by all empirical studies
- (b) Supported mainly by cross-section studies and not by time-series studies
- (c) Supported by time-series and not by cross-section studies
- (d) Generally repudiated by empirical studies

98. Suggest the correct answer about the 'Pigovian Tax' :

- (I) Provides solution in order to 'internalize' the total costs of an activity into the market.
- (II) Provides solution to reduce the production of pollutants through public policy.
- (III) It helps in increasing the factor productivity in the real sector.
- (IV) It acts like a severance tax.

Codes :

- (a) (I) and (II)
- (b) (III) and (IV)
- (c) (I), (II) and (IV)
- (d) (I), (II), (III) and (IV)

99. Which option is *true* for population dividend to manifest ?

- (a) Population in the age group between 0-7 years is likely to increase.
- (b) Population in the age group between 8-15 years is likely to increase.
- (c) Population in the age group between 15-64 years is likely to increase.
- (d) Population in the age group above 65 years is likely to increase.

100. The Coase theorem suggests that private negotiation will lead to the correction of market failure when :

- (i) Only a few people are involved.
- (ii) Property rights are clearly recognised.
- (iii) Negotiation costs are low.
- (iv) People are having asymmetric information.

Select the correct answer from the codes given below

Codes :

- (a) (i), (ii) and (iii) must hold true.
- (b) (i) and (iv) must hold true.
- (c) (i), (ii) and (iv) must hold true.
- (d) (iv) and (iii) must hold true