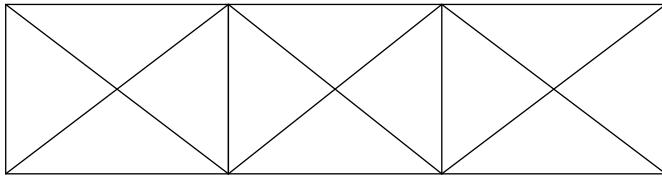PART – A

Questions 1 – 10 : Fill in the blanks with the most grammatically correct and meaningful option from those provided :

1. You_____ better consult a doctor soon.
   A) have to   B) has to   C) had   D) shall

2. She stands a good chance —— the match.
   A) to win   B) of winning   C) for winning   D) towards winning

3. Your performance is very —— .
   A) applicable   B) appreciating   C) remarking   D) remarkable

4. The invention of the wheel has proved a great —— for mankind.
   A) devise   B) use   C) boon   D) service

5. I have not had —— breakfast this morning.
   A) some   B) any   C) nothing   D) something

6. He —— for her since morning.
   A) waited   B) waiting
   C) has been waiting   D) may been waiting

7. I prefer tea —— coffee.
   A) to   B) than   C) more   D) rather

8. My parents were —— happy to see me win.
   A) too   B) most   C) more   D) extreme

9. The police forbade us —— enter the house where the theft had taken place.
   A) not to   B) to   C) do not   D) to not

10. Success is —— on hard work.
    A) depend   B) depended   C) dependent   D) depending

11. Choose the appropriate answer for the following :

    Conscience : Wrong : : Police : ?
    A) Thief   B) Law   C) Discipline   D) Crime

12. Which number will come in the blank space ?
    20, 19, 17, __, 10, 5
    A) 12   B) 13   C) 14   D) 15

13. A woman introduces a man as the son of the brother of her mother. How is the man related to the woman ?
    A) Nephew   B) Grandson   C) Cousin   D) Uncle

14. A shepherd had 17 sheeps. All but nine died. How many was he left with ?
    A) Nil   B) 8   C) 9   D) 17

15. How many triangles and squares are there in the following figure ?

    A) 28 triangles, 5 squares   B) 24 triangles, 4 squares

    C) 28 triangles, 4 squares   D) 24 triangles, 5 squares

16. Select the most suitable synonym for MYTH

    A) truth   B) falsehood   C) illusion   D) concoction

17. Select the most suitable antonym for JUBILANT

    A) lethargic   B) inebriated   C) refreshed   D) morose

18. Identify the meaning of idiom "Child's play"

    A) to handle a situation calmly   B) to play like a child

    C) an easy task   D) to treat lightly

19. Select the pair which shows the same relationship as the capitalized pair of words

    ROAD : FOOTPATH

    A) Drawing room : kitchen   B) River : riverbank

    C) Box : lock   D) Window : shutter

20. Choose the correct option

    $100 + 50 \times 2 = ?$

    A) 75   B) 150   C) 200   D) 300

21. Find the average of all the numbers between 6 and 34 which are divisible by 5.

    A) 18   B) 20   C) 24   D) 30

22. The ratio 5 : 4 expressed as a percent equals

    A) 12.5%   B) 40%   C) 80%   D) 125%

23. I gains 70 paise on Rs. 70. My gain percent is

    A) 0.1%   B) 1%   C) 7%   D) 10%

24. If A : B = 5 : 7 and B : C = 6 : 11, then A : B : C is

    A) 55 : 77 : 66   B) 30 : 42 : 77   C) 35 : 49 : 42   D) None of these

25. A does a work in 10 days and B does the same work in 15 days. If they work together, in how many days the same work will be done ?

    A) 5   B) 6   C) 8   D) 9

A∗

PART – B

I. Maths Questions :

26. At Kishkinda College students study Maths, Statistics and other subjects. There are 399 students taking Mathematics or Statistics. 238 are taking Maths, 184 are taking Stats, and 23 are taking Maths and Stats. 512 students take neither Maths, nor Stats. What is the total number of students in the college ?

    A) 934   B) 888   C) 696   D) 911

27. A rectangular field is to be enclosed on four sides with a fence. Fencing costs Rs. 8/metre for two opposite sides and Rs. 5/metre for the other two sides. Find the dimensions of the field of area 640 sq.m. Which would be the cheapest to enclose ?

    A) 32 m at Rs. 5 and 20 m at Rs. 8   B) 64 m at Rs. 5 and 10 m at Rs. 8

    C) 8 m at Rs. 8 and 80 m at Rs. 5   D) 20 m at Rs. 5 and 32 m at Rs. 8

28. If $\mathbf{v} = 2\,\mathbf{i} + 6\,\mathbf{j}$ and $\mathbf{u} = 6\,\mathbf{i} + 2\,\mathbf{j}$, find $\mathbf{v}.\mathbf{u}$

    A) $8\,\mathbf{i} + 8\,\mathbf{j}$ B) 24   C) $12\,\mathbf{i} + 12\,\mathbf{j}$ D) 0

29. If $f(x) = x^3 - x + 3$ and $g(x) = 3$, then $f(g(x)) - g(f(x))$ is equal to

    A) 24   B) 42   C) 0   D) 3

30. Find the area under the graph of the function $y = x^2(x - 2)^2$ over the interval [0,2]

    A) 15/17   B) 15/16   C) 16/15   D) 17/15

31. Evaluate using integration by parts, $\int x^2 \ln|4x| \, dx$

    A) $\dfrac{1}{3}\ln^2|4x| - \dfrac{1}{9}x^2 + C$ B) $\dfrac{4}{3}\ln^2|4x| - \dfrac{1}{3}x^2 + C$

    C) $\dfrac{1}{3}\ln^2|4x| - \dfrac{1}{3}x^2 + C$ D) $\dfrac{4}{3}\ln^2|4x| - \dfrac{1}{9}x^2 + C$

32. Find the inverse, if it exists, for the matrix, $\begin{bmatrix} 0 & -6 \\ -4 & -1 \end{bmatrix}$

    A) $\begin{bmatrix} \dfrac{1}{24} & \dfrac{-1}{4} \\ \dfrac{-1}{6} & 0 \end{bmatrix}$ B) $\begin{bmatrix} 0 & \dfrac{-1}{4} \\ \dfrac{-1}{6} & \dfrac{1}{24} \end{bmatrix}$ C) $\begin{bmatrix} \dfrac{1}{24} & \dfrac{1}{4} \\ \dfrac{1}{6} & 0 \end{bmatrix}$ D) $\begin{bmatrix} \dfrac{-1}{6} & 0 \\ \dfrac{1}{24} & \dfrac{-1}{4} \end{bmatrix}$

33. Find the value of K, for which the system of equations $2x - y = 4$, and $6x - 3y = 3K$ has infinite solutions.

    A) $K = 2$ B) $K = 1$ C) $K = 3$ D) $K = 4$

34. Given, $\begin{vmatrix} 5 & -3 & 1 \\ -2 & -2 & x \\ 8 & 2 & -1 \end{vmatrix} = 28$, solve for x.

    A) $x = -1$ B) $x = 2$ C) $x = 1$ D) $x = 0$

35. Find the general solution for the differential equation $dy/dx = 72\ x^2 - 20\ x$

    A) $24\ x^3 - 20\ x^2 + C$ B) $72\ x^3 - 20\ x^2 + C$

    C) $24\ x^3 - 10\ x^2 + C$ D) $72\ x^3 - 10\ x^2 + C$

36. A Trust wants to invest Rs.1,06,000 in bonds paying 6%, fixed deposits paying 5% and mortgages paying 9%. The bond and fixed deposit investments together must equal the mortgage investment. To earn an annual income of Rs. 7,740 from its investments, how much should the Trust invest in bonds ?

    A) Rs. 53,000   B) Rs. 32,000   C) Rs. 30,000   D) Rs. 21,000

37. A company wishes to manufacture a box with a volume of 288 cu.ft. which is open at the top and is twice as long as it is wide. Find the width of the box that can be produced using the minimum amount of material.

    A) 4.8   B) 5.0   C) 5.2   D) 4.2

38. If $y = (4x^3 + 8)(2x^7 - 5)$, find dy/dx.

    A) $80\ x^9 + 112\ x^6 - 60\ x^2$ B) $80\ x^9 + 112\ x^6 - 60\ x$

    C) $16\ x^9 + 112\ x^6 - 60\ x^2$ D) $16\ x^9 + 112\ x^6 - 60\ x$

39. Two plumbers make house calls. One charges Rs. 90 per visit plus Rs. 40 per hour of work. The other charges Rs. 75 per visit plus Rs. 50 per hour of work. For how many hours of work do the two plumbers charge the same ?

    A) 1.5   B) 0.5   C) 2   D) 1

         A*

40. Determine if the geometric series given converges or diverges. If it converges find

   its sum $\left(\dfrac{1}{6}\right) + \left(\dfrac{1}{6}\right)^2 + \left(\dfrac{1}{6}\right)^3 + \left(\dfrac{1}{6}\right)^4 + \left(\dfrac{1}{6}\right)^5 + \ldots$

   A) Converges, $\dfrac{5}{6}$

   B) Converges, $\dfrac{1}{5}$

   C) Diverges

   D) Converges, $\dfrac{6}{5}$

II. Statistics Questions :

41. Men have a reputation for not wanting to ask for directions. A study conducted for Motorists India indicated that 42% of men and 61% of women would stop and ask for directions. The 2011 Census indicates that for the population aged 18 or above, 48.2% were men and 51.8% were women. For this age group, calculate the probability that the driver stops to ask for direction.

   A) 0.390   B) 0.420   C) 0.518   D) 0.316

42. The following data gives the number of kilometres that employees commute from home to work each day. There are two samples, one for males and one for females.

Males	13	5	2	23	14	5
Females	15	6	3	2	4	6

   Which of the following statements is true ?
   A) Females have the larger range
   B) The coefficient of variation is larger for males than for females
   💬 The coefficient of variation is larger for females than for males
   D) Females have the larger mean

43. The distribution of the actual weight of potato chips in a 16 ounce sack is thought to be bell-shaped with a mean equal to 16 ounces and a standard deviation equal to 0.45 ounces. Based on this, between what two limits could we expect 95 percent of all sacks to weigh ?
   💬 15.10 to 16.90 ounces   B) 15.55 to 16.45 ounces
   C) 14.65 to 17.35 ounces   D) 14 to 18 ounces

44. The number of the people per household in a population is as shown below:

x	2	3	4	5	6	7
P(x)	0.27	0.25	0.28	0.13	0.04	0.03

What is the expected number of people per household in this population ?

A) 3.33   B) 4.33   C) 2.71   D) 3.51

45. If two events A and B are mutually exclusive, then which one of the following statements is true ?

A) A and B are complimentary   B) $P(A \cap B) = 0$

C) A and B are independent   D) A and B are identical

46. Suppose X and Y are independent random variables. The variance of X is equal to 16; and the variance of Y is equal to 9. Let Z = X − Y. The standard deviation of Z equals

A) 25   B) 5   C) 1   D) 15

47. A ball is drawn at random from a box containing 6 red, 4 white and 5 blue balls. The probability that it is not a red ball is

A) 1   B) 7/5   C) 1.2   D) 3/5

48. A large sample of size n is used to estimate the confidence interval for a proportion p. After further evaluation, the standard deviation is considered too large. The new size of the sample that we need to obtain a standard deviation that is one-tenth of the original standard deviation should be

A) 100 n   B) 0.1 n   C) 10 n   D) 1000 n

49. How many ways are there to choose a soccer team consisting of 3 forwards, 4 midfield players, and 3 defensive players, if the players are chosen from 8 forwards, 8 midfield players, and 8 defensive players ?

A) 182   B) 18,96,65,280   C) 2,19,520   D) 19,61,256

A*

50. A large retail company gives an employment screening test to all prospective employees. Farhan recently took the test and it was reported back to him that his score placed him at the 80th percentile. Therefore

A) 80 people who took the test scored below Farhan

B) Farhan's score has a z-score of 80

C) Farhan was in the bottom 20 percent of those that have taken the test

D) Farhan scored as high or higher than 80 percent of the people who took the test

51. Which of the following measures is not affected by extreme values in the data ?

A) The Median   B) The Standard Deviation

C) The Mean   D) The Range

52. If $\hat{\beta}_{yx}$ and $\hat{\beta}_{xy}$ are slopes of the regression of x on y and y on x respectively, then the correlation coefficient, r between x and y is

A) Equal to $(\hat{\beta}_{yx} + \hat{\beta}_{xy})/2$ B) Equal to $\sqrt{\hat{\beta}_{yx} \cdot \hat{\beta}_{xy}}$

C) Equal to $\hat{\beta}_{yx} \Big/ \hat{\beta}_{xy}$ D) Unrelated to $\hat{\beta}_{yx}$ and $\hat{\beta}_{xy}$

53. In testing a given hypothesis, the maximum P with which we would be willing to risk a type I error is known as

A) Null Hypothesis   B) Point Estimate

C) Level of Significance   D) Interval Estimate

54. If the coefficient of determination is 0.12 and one of the regression coefficients is 0.3, what is the value of the other regression coefficient ?

A) 0.9   B) 0.36   C) 0.4   D) 0.15

55. A study was recently done in which the brand preference for breakfast cereal was analyzed against the gender of the shopper. The study consisted of 200 male shoppers and 300 female shoppers. Three different cereal brands were considered : A, B, and C) A total of 250 female shoppers preferred brand A, 25 female shoppers preferred brand C) A total of 100 shoppers preferred brand B) The number of male shoppers that preferred brand B was

A) 100   B) 75   C) 25   D) 50

III. Microeconomics Questions :

56. Which of the following demonstrates the law of demand ?

    A) After Janaki got a raise at work, she bought more potato chips at Rs. 10 per packet than she did before the raise

    B) Megha buys fewer cakes at Rs. 5 per cake than at Rs.7 per cake, other things equal

    C) Dave buys more donuts at Rs. 7.50 per donut than at Rs.10 per donut, other things equal

    D) Kumar buys fewer Five Stars at Rs. 2.00 per Five Star since the price of Milky Way fell to Rs. 1.50 per Milky Way

57. Suppose that an individual's money income increases by 10 percent, the price of good X increases by 6 percent, the price of good Y increases by 9 percent, and all income is spent on these two goods. The budget constraint for this individual will

    A) Shift outward from the origin and exhibit a change in slope

    B) Exhibit a parallel shift away from the origin

    C) Shift inward towards the origin because the prices of both goods have increased in proportion to each other

    D) Exhibit only a change in slope without any parallel shift

58. If a shortage exists in a market, then we know that the actual price is

    A) Above the equilibrium price and quantity supplied is greater than quantity demanded

    B) Above the equilibrium price and quantity demanded is greater than quantity supplied

    C) Below the equilibrium price and quantity supplied is greater than quantity demanded

    D) Below the equilibrium price and quantity demanded is greater than quantity supplied

59. If a good is a normal good and its price increases

    A) The income and substitution effects each provide an incentive for the consumer to purchase more of the good

    B) The income effect will be negative and the substitution effect positive

    C) The income effect will be positive (increase its consumption) and the substitution effect negative (reduce its consumption)

    D) The income and substitution effects each provide an incentive for the consumer to purchase less of the good

A∗

60. If the wages that the firm has to pay increase, we would expect

    A) The average variable and the average cost curves to remain constant and the marginal cost curve to shift upward

    B) The average variable cost, average cost and marginal cost curves to shift upward

    C) The average variable cost, average cost and marginal cost curves to shift downward

    D) The average variable and marginal cost curves to shift upward and the average cost curve to shift downward

61. The demand and supply for oranges can be represented by the following equations, $P_D = 5 - .005Q$, and $P_S = 0.00125Q$, where P is measured in Rs. per orange and Q is measured in terms of oranges per day. The equilibrium price and quantity of oranges would be

    A) 1, 800   B) 10, 80   C) 100, 800   D) 8, 1000

62. Let L represent the number of workers hired by a firm and let Q represent that firm's quantity of output. Assume two points on the firm's production function are ($L = 5$, $Q = 125$) and ($L = 6$, $Q = 162$). Then the marginal product of the 6th worker is

    A) 25 units per unit   B) 27 units per unit

    C) 37 units per unit   D) 162 units per unit

63. If a firm doubles its output in the long-run and its average costs of production decline

    A) Diminishing returns have not yet occurred

    B) Economies of scale exist

    C) Fixed costs will be declining

    D) Marginal costs will be larger than average costs

64. The producer will substitute capital for labour till he reaches that point of isoquant at which

    A) The price of the good he produces equals the wage rate

    B) The marginal rate of technical substitution equals the interest rate

    C) The marginal rate of technical substitution equals marginal revenue

    D) The marginal rate of technical substitution equals the ratio of the wage rate to the interest rate

65. The revealed preference approach to the derivation of indifference curves

    A) Assumes that an individual's indifference curves can cross each other

    B) Assumes that all people have identical tastes

    C) Relies on repeated observations of the market behaviour of a single person

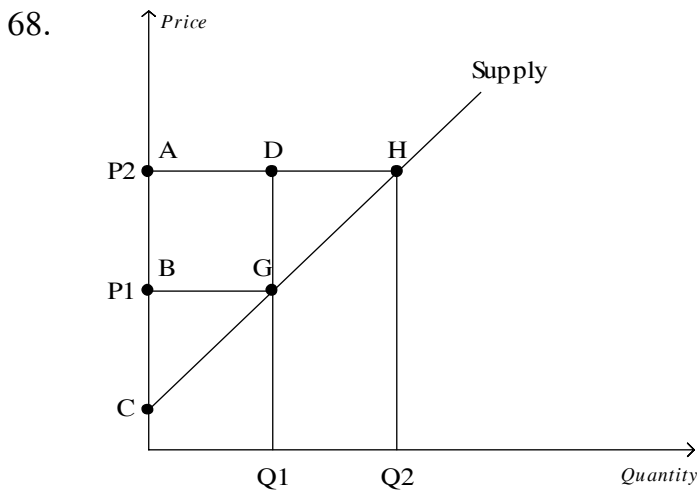   D) Assumes an individual's taste to be varying over time

66. Which of the following statements is true of a monopoly firm ?

    A) A monopoly firm is a price taker and has no supply curve

    B) A monopoly firm is a price maker and has no supply curve

    C) A monopoly firm is a price maker and has a downward-sloping supply curve

    D) A monopoly firm is a price maker and has an upward-sloping supply curve

67. The following table gives the willingness to pay of four different people for a particular product

Buyer	Arun	Begum	Clara	Danush
Willingness to pay	Rs. 50	Rs. 30	Rs. 20	Rs. 10

If the price of the product is Rs. 15, then what is the consumer surplus for this group ?

A) Rs. 55   B) Rs. 100   C) Rs. 95   D) Rs. 110

68.

In the graph above, when the price rises from P1 to P2, which area represents the increase in producer surplus to existing producers ?

A) BCG   B) ACH   C) DGH   D) ABGD

A*

69. The efficiency criterion for measuring the social welfare in a partial equilibrium framework is that
   A) Consumers' surplus be greater than the producers' surplus
   B) The sum of consumers' and producers' surplus be maximized
   C) Producers' surplus be equal to the fixed costs of the firms
   D) Consumers' surplus be equal to the producers' surplus

70. In 1 hour, Robinson Crusoe can either shoot 4 birds or catch 4 fish. A typical native on a nearby island can either shoot 5 birds or catch 10 fish in an hour's time. Which of the following is true according to the doctrine of comparative advantage ?
   A) Crusoe will be better off if he specializes in either activity and then trades with the natives
   B) The natives have a comparative advantage in both shooting birds and catching fish, so Crusoe cannot be better off by trading with the natives
   C) Crusoe should concentrate on shooting birds and then trade with the natives to obtain fish
   D) Crusoe should spend his time catching fish, and he should trade with the natives to obtain birds

IV. Macroeconomic Questions :

71. Wobet is a small country that produces only rotis and potatoes. Rotis have a price of Rs. 10 each and potatoes have a price of Re.1 each. Suppose that Wobet produced 10 rotis and 20 potatoes in 2010. Using _____ Wobet has GDP equal to _____.
   A) Real value, Rs.120   B) A market basket, 30 units
   C) Market value, Rs.120   D) Market value, 30 units

72. Production by Honda, a Japanese firm, in the United States is included in _____ GDP and production by Nike Corporation, a US firm, in Vietnam is included in _____ GDP.
   A) Japanese, Vietnamese   B) US and Japanese, US and Vietnamese
   C) Japanese, US   D) US, Vietnamese

73. Employment status of the working age population of Metropolis is approximately:

Employed full-time:	4,200
Employed part-time:	700
Not employed and looking for work:	300
Not employed and not looking for work:	200

Given the data above, the unemployment rate of Metropolis is approximately

A) 6 percent   B) 9 percent   C) 12 percent   D) 22 percent

74. When the price level rises and increases the demand for money, the nominal interest rate _____ and the real interest rate _____.

A) Rises, rises   B) Rises, falls   C) Falls, rises   D) Falls, falls

75. If the government increases its purchases of goods and services by Rs. 3,000 and the *Marginal Propensity to Consume* is 0.8, GDP and income will eventually increase by

A) Rs. 2,400   B) Rs. 6,000   C) Rs. 15,000   D) Rs. 24,000

76. Suppose that for a given year money growth is 5 percent, real GDP growth is 2 percent, and the inflation rate is 5 percent. According to the growth version of the quantity equation, velocity growth would be

A) 0 percent   B) 2 percent   C) 8 percent   D) 12.5 percent

77. According to the new growth theory, the factor that motivates technological change is

A) Decisions about how much human capital to acquire

B) Profit

C) Replication of activities

D) Diminishing returns

78. Suppose monetary policy results in the exchange rate falling. As a result,

A) Net exports increase

B) Net exports decrease

C) Exports decrease and imports decrease

D) Exports do not change because they are autonomous and imports decrease

A∗

79. The data in the table below shows the consumption by families in an economy.

Item	Quantity (2011)	Price (2011)	Quantity (2012)	Price (2012)
Magazines	400	Rs. 5.00	450	Rs. 4.50
Movie tickets	50	Rs. 6.00	200	Rs. 8.00
Pizzas	100	Rs. 10.00	120	Rs. 10.50

The year 2011 is the reference base perioD) Based on the table, the cost of the base period market basket in 2012 is

A) Rs. 3,250   B) Rs. 4,885   C) Rs. 4,650   D) Rs. 3,300

80. If a country has a current account balance of $100 billion and the official settlements account balance is zero, then the country's capital account balance must be
    A) Equal to $100 billion
    B) Positive but not necessarily equal to $100 billion
    C) Equal to – $100 billion
    D) Negative but not necessarily equal to – $100 billion

81. If the quantity of money demanded is greater than the quantity supplied, then in the short run the
    A) Nominal interest rate falls
    B) Demand for financial assets increases
    C) Price of financial assets rises
    D) Nominal interest rate rises

82. Which of the following best describes the effect on the aggregate supply curve if political negotiations result in a substantial decrease in the price of oil ?
    A) The *AS* curve does not shift but there is an upward movement along it
    B) The *AS* curve shifts rightward
    C) There is no change to the *AS* curve
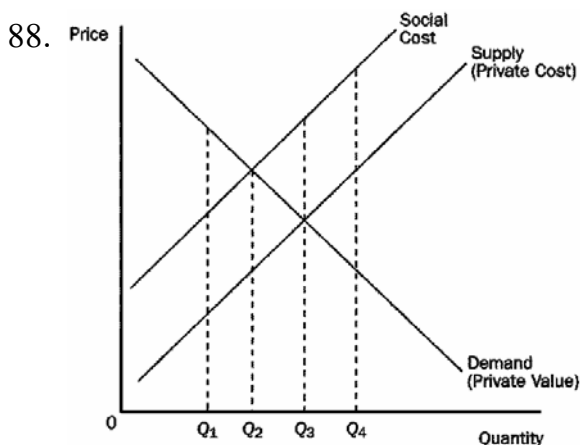   D) The *AS* curve shifts leftward

83. Consider two economies that are identical, with the exception that one has a high marginal propensity to consume (MPC) and one has a low MPC) If the money supply is increased by the same amount in each economy, the high MPC economy will experience

    A) A larger increase in output and a smaller decrease in the interest rate

    B) A smaller increase in output and a smaller decrease in the interest rate

    C) A larger increase in output and a larger decrease in the interest rate

    D) A smaller increase in output and a larger decrease in the interest rate

84. If the interest rate on a bank deposit in the United States is 3 percent while a similar deposit earns 6 percent in Britain, then we could expect that deposits would flow to

    A) Britain regardless of exchange rate expectations

    B) The United States regardless of exchange rate expectations

    C) Britain if the pound is expected to depreciate less than 3 percent

    D) The United States if the dollar is expected to appreciate less than 3 percent

85. Fluctuations in economic performance is one of the two basic issues of macroeconomics. The other is

    A) Tracking unemployment   B) Long-run economic growth

    C) Monitoring inflation rates   D) Keeping interest rates in check

V. Other Topics Questions :

86. Mainstream economists believe that Keynesian economists overstate the effect of the multiplier effect. Which of the following statements would mainstream economists NOT consider to be accurate ?

    A) Effects of a fiscal stimulus are incapable of working fast enough to make a difference

    B) A fiscal stimulus does not provide a 'free lunch' but does 'crowd out' private consumption expenditure and investment

    C) A fiscal stimulus results in bigger government, lower potential GDP, and slower real GDP growth

    D) A fiscal stimulus is a vital tool to fight recession and depression due to the multiplier effect

87. Which of the following is an example of the free-rider situation ?

   A) Both Farida and Wilma receive low-cost dental care at the local dental school, so neither of them pays the full cost of the care

   B) Saurav receives a free lunch from the local "Meals on Wheels" program because of his low monthly income. Yet his next door neighbour, Deepa, is not eligible for the free lunch

   C) Manish owns Fido, a large dog who barks whenever anyone walks near his house. Sana lives next to Manish, and Fido's barking can be heard whenever anyone walks near her house, too. Thus, Sana receives free protection from burglars because of Fido's barking.

   D) Dheeraj purchases a burger at a fast food restaurant and gets a second burger free because the restaurant is having a buy one, get one free sale

88.

   If the market shown above is currently producing at Q_4, then total economic well-being would be maximized if output

   A) Decreased to Q_1 B) Decreased to Q_2

   C) Decreased to Q_3 D) Stayed at Q_4

89. Which one of the following tax is within the jurisdiction of the Central Government as enumerated in List I of Seventh Schedule of the Constitution of India ?

   A) Taxes on mineral rights subject to any limitation imposed by the Parliament

   B) Taxes on the consumption and sale of electricity

   C) Taxes on sale and purchase of newspapers and on advertisements therein

   D) Excise on alcoholic liquors for human consumption, opium, Indian hemp and other narcotics

90. When the government places a tax on a product, the cost of the tax to buyers and sellers
   A) Exceeds the revenue raised from the tax by the Government
   B) Is equal to the revenue raised from the tax by the Government
   C) Is less than the revenue raised from the tax by the Government
   D) Without additional information, such as the elasticity of demand for this product, it is impossible to compare the cost of a tax to buyers and sellers with tax revenue

91. Goods that are *not* excludable include both
   A) Private goods and public goods
   B) Common resources and public goods
   C) Natural monopolies and common resources
   D) Private goods and natural monopolies

92. When the Government's outlays exceed its tax revenues, the national debt
   A) Shrinks thanks to the budget surplus
   B) Grows to finance the budget deficit
   C) Shrinks thanks to the budget deficit
   D) Does not change because it has nothing to do with Government outlays and tax revenue

93. Mike and Sandy are two woodworkers who both make tables and chairs. In one month, Mike can make 4 tables or 20 chairs, while Sandy can make 6 tables or 18 chairs. Given this, we know that
   A) Mike has a comparative advantage in tables
   B) Sandy has a comparative advantage in chairs
   C) Mike has an absolute advantage in chairs
   D) Sandy has an absolute advantage in chairs

94. Suppose that a worker in Cornland can grow either 40 bushels of corn or 10 bushels of oats per year, and a worker in Oatland can grow either 20 bushels of corn or 5 bushels of oats per year. There are 20 workers in Cornland and 20 workers in Oatland). Which of the following statements is true ?
   A) Neither country could gain from trade with each other because neither one has a comparative advantage
   B) Both countries could gain from trade with each other
   C) Neither country could gain from trade with each other because Cornland has an absolute advantage in both goods
   D) Oatland could gain from trade between the two countries, but Cornland definitively would lose

A*

95. The value of foreign trade multiplier will be high under the condition when
   A) Marginal propensity to save is high
   B) Marginal propensity to import is high
   C) Marginal propensity to consume domestic goods is high
   💬 There is increase in export

96. In India, Grants from the Centre to the States under the recommendation of the Finance Commission are known as
   A) Plan grants
   B) Development assistance
   💬 Statutory grants
   D) Discretionary grants

97. India's Monopolies and Restrictive Trade Practices Act of 1969 has been
   A) Replaced by Competition Act 2002
   B) Merged in Industrial Policy Act of 1978
   C) Replaced by Trade Union (Amendment) Act 2001
   D) Merged in Industrial Policy Act of 1991

98. Which Five Year Plan of India recorded the largest gap in terms of growth rate between the service sector and the industrial sector ?
   A) Seventh Plan   B) Eigth Plan   💬 Ninth Plan   D) Tenth Plan

99. India's current account deficit in Balance of Trade is mainly due to
   A) Increasing imports of iron and steel
   B) Increasing imports of gold and silver
   C) Increasing imports of oil and petroleum
   💬 Increasing imports of food grains

100. What is the economic cost of food grains to the Food Corporation of India ?
   A) Minimum support price and bonus paid to farmers plus transportation costs
   B) Minimum support price and bonus paid to farmers plus procurement incidentals plus distribution costs
   C) Minimum support price and bonus paid to farmers plus interest cost
   D) Minimum support price and bonus paid to farmers plus procurement incidentals plus charges for storage godowns

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A∗   -20-

SPACE FOR ROUGH WORK

A∗

SPACE FOR ROUGH WORK

A∗

SPACE FOR ROUGH WORK