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UPHESC AP

Previous Year Paper
(Economics)
2014-15



100 Questions

Que. 1 Who became the first woman Chief Minister of the state Gujarat?

1. Uma Bharati
2. Mamata Bannerjee
3. Anandi Ben Patel
4. Vasundhara Raje

Correct Option - 3

Que. 2 Who won the Title "World Snooker Championship 2014"?

1. John Smith
2. Jimmy White
3. Stephen Hendry
4. Mark Selby

Correct Option - 4

Que. 3 When the nature of population from which samples are drawn is not known to be normal, the data can be analysed by :

1. Parametric statistics
2. Non-parametric statistics
3. Descriptive statistics
4. Fundamental statistics

Correct Option - 2

Que. 4 'SITE' stands for :

1. System for International Technology and Engineering
2. Satellite Instructional Television Experiment
3. South Indian Trade Estate
4. State Institute of Technology and Engineering

Correct Option - 2

Que. 5 Which of the following types of natural hazards have the highest potential to cause damage to humans?

1. Earthquakes
2. Forest fires
3. Volcanic eruptions
4. Droughts and floods

Correct Option - 4

Que. 6 Which one of the following is the important factor in rural out-migration in India?

1. Unemployment
2. Agricultural inefficiency
3. Lack of basic services in rural areas
4. Population growth

Correct Option - 1

Que. 7 Which one of the following is not a Constitutional Body?

1. Election Commission
2. Finance Commission
3. Union Public Service Commission
4. Planning Commission

Correct Option - 4

Que. 8 Kanha National Park is known for:

1. Lions
2. Cows
3. Elephants
4. Cheetahs

Correct Option - 4

Que. 9 Indira Gandhi National Open University was established in the year:

1. 1982
2. 1985
3. 1986
4. 1992

Correct Option - 2

Que. 10 The meaning of hypothesis is:

1. Final answer
2. Expected answer
3. Limitation of research
4. Research question

Correct Option - 2

Que. 11 Gender ratio in India is:

1. Male = Female
2. Male > Female
3. Male < Female
4. None of the above

Correct Option - 2

Que. 12 'Excel' is used for:

1. Video-chatting
2. Multi-media presentation
3. Data analysis
4. Tele-communication

Correct Option - 3

Que. 13 Quit India Movement is associated with the year:

1. 1942
2. 1947
3. 1922
4. 1937

Correct Option - 1

Que. 14 The first amendment in the Indian Constitution was made in:

1. 1949
2. 1950
3. 1951
4. 1952

Correct Option - 3

Que. 15 Who is the brand ambassador of BSNL (Bharat Sanchar Nigam Limited)?

1. Abhishek Bachchan
2. Amitabh Bachchan
3. Deepika Padukone
4. None of the above

Correct Option - 3

Que. 16 Pedagogy is related to :

1. Laboratory
2. Gymnasium

3. Library
4. Teaching

Correct Option - 4

Que. 17 In ICT 'C' stands for :

1. Computer
2. Cable
3. Communication
4. None of the above

Correct Option - 3

Que. 18 MAN stands for :

1. Mumbai Area Network
2. Mega Area Network
3. Metropolitan Area Network
4. Madras Area Network

Correct Option - 3

Que. 19 Which state in India is the largest producer of coffee?

1. Karnataka
2. Kerala
3. Assam
4. Arunachal Pradesh

Correct Option - 1

Que. 20 In which session Gandhiji was the President of Indian National Congress?

1. Lucknow
2. Madras
3. Belgaun
4. Karachi

Correct Option - 3

Que. 21 C. B. D. T. deals with which type of tax?

1. Trade tax
2. Customs duty
3. Excise duty
4. Income Tax

Correct Option - 4

Que. 22 Who is the Presiding Officer of the Lower House of Parliament in India?

- 1. Chairman
- 2. Dy-Speaker
- 3. Speaker
- 4. None of the above

Correct Option - 3

Que. 23 Who became the first Chief Minister of Telangana?

- 1. Chandrababu Naidu
- 2. Jagan Mohan Reddy
- 3. Y. S. Vijaymala
- 4. K. Chandrasekhar Rao

Correct Option - 4

Que. 24 Match List-I and List-II and select the correct answer by using the codes given below the lists:

List-I	List-II
(Country Name)	(Total medals won in Glasgow Commonwealth Game)
(A) England	(1) 137
(B) Canada	(2) 64
(C) Australia	(3) 174
(D) India	(4) 82

Code:

- | | | | | |
|----|---|---|---|---|
| 1. | A | B | C | D |
| | 1 | 2 | 3 | 4 |
| 2. | A | B | C | D |
| | 4 | 3 | 1 | 2 |
| 3. | A | B | C | D |
| | 4 | 3 | 2 | 1 |
| 4. | A | B | C | D |
| | 3 | 4 | 1 | 2 |

Correct Option - 4

Que. 25 The variable for which we can calculate mean and standard deviation is measured on which of the following scale?

- 1. Nominal scale

2. Ordinal scale
3. Interval scale
4. Ratio scale

Correct Option - 3

Que. 26 Which of the following statements is not correct?

1. e-Mail refers to electronic mail
2. www refers to world wide web
3. CPU refers to control processing unit
4. ALU refers arithmetic logic unit

Correct Option - 3

Que. 27 The famous book "Geet Govind" is written by:

1. Jayadev
2. Mahadevi Verma
3. Jaishankar Prasad
4. Kalidas

Correct Option - 1

Que. 28 The Southernmost point of Peninsular India, that is Kanyakumari, is in:

1. North of Tropic of Cancer
2. South of the Equator
3. South of the Capricorn
4. North of the Equator

Correct Option - 4

Que. 29 When current income of the Government is less than its current expenditure, it is known as:

1. Budget deficit
2. Fiscal deficit
3. Revenue deficit
4. Primary deficit

Correct Option - 3

Que. 30 In which year were the fundamental duties incorporated in the Indian Constitution?

1. 1970
2. 1976
3. 1978
4. 1980

Correct Option - 2

Que. 31 First and third quartiles of a frequency distribution are 30 and 75. Also its coefficient of skewness is 0.6. The median of the frequency distribution is:

1. 38
2. 39
3. 40
4. 41

Correct Option - 3

Que. 32 Which of the following statements is false with regard to the Slutsky substitution effect ?

1. It is larger than the Hicksian substitution effect.
2. It leads to a demand curve which is more elastic than the Hicksian demand curve.
3. Consumption is on a different indifference curve than before the price change.
4. It is given by a movement along the same indifference curve.

Correct Option - 4

Que. 33 Mean and variance of which of the following distribution is the same?

1. Normal distribution
2. Binomial distribution
3. Poisson distribution
4. Gamma distribution

Correct Option - 3

Que. 34 In an economy of two individuals (A and B) and two commodities (X and Y) general equilibrium of production and exchange occurs when :

1. $MRT_{XY} = P_X/P_Y$
2. $MRS_{XY} \text{ (for A and B) } = P_X/P_Y$
3. $(MRS_{XY})^A - (MRS_{XY})^B$
4. $MRT_{XY} = (MRS_{XY})^A = (MRS_{XY})^B$

Correct Option - 4

Que. 35 Which of the following formula is applicable for a monopolist purchasing input in a competitive market at price S_y ?

1. $S_v = MP$, where MP, is marginal product of variable input.
2. $S_v = MRP_v$ is marginal revenue product of variable input.

3. $S_v = MP_v/MP_f$ where MP is marginal product of fixed input.
4. $S_v = MRP_v/MRP_f$ where MRP is marginal revenue product of fixed input.

Correct Option - 2

Que. 36 Homogeneity of three or more population correlation coefficients can be tested by:

1. Z-test
2. t-test
3. χ^2 -test
4. F-test

Correct Option - 3

Que. 37 Out of 128 families with four children each, how many are expected to have at least one boy and one girl?

1. 100
2. 105
3. 108
4. 112

Correct Option - 3

Que. 38 External economies are witnessed in a:

1. rising supply curve
2. rising demand curve
3. falling supply curve
4. falling demand curve

Correct Option - 3

Que. 39 In Cobb-Douglas production function $Q = AL^aKB^\beta$, there will be increasing returns to scale, if:

1. $a + \beta = 1$
2. $a + \beta > 0$
3. $a + \beta > 1$
4. $a + \beta < 1$

Correct Option - 3

Que. 40 Quasi-rent is equal to

1. P- AVC
2. P - AFC
3. P- AC

4. P - MC

Correct Option - 2

Que. 41 Two balls are drawn at random from a bag containing 5 white and 7 black balls. What is the probability that they would be of different colours?

1. 30/66
2. 12/66
3. 35/66
4. 18/66

Correct Option - 3

Que. 42 If price consumption curve (PCC) is horizontal for a commodity at all relevant prices, then the demand curve for this commodity will be:

1. Horizontal
2. Vertical
3. Rectangular hyperbola
4. Positively sloped

Correct Option - 2

Que. 43 If unexplained variation between two variables X and Y is 0.36, then the coefficient of correlation is:

1. 0.6
2. 0.06
3. 0.8
4. 0.08

Correct Option - 3

Que. 44 The Engel curve for a Giffen food is:

1. Negatively sloped
2. Vertical
3. Horizontal
4. Positively sloped

Correct Option - 1

Que. 45 Which one of the following is not correct?

1. Elasticity of demand (E_d) is unity when marginal revenue (MR) is zero.
2. $E_d > 1$, when MR is positive.
3. E_d is inelastic in the range of negative marginal revenue.
4. E_d is highly elastic in the range of positive average revenue.

Correct Option - 4

Que. 46 Match List-I with List-II and select the correct answer by using the codes given below:

List-I	List-II
(A) Risk Theory of Profit	(1) Knight
(B) Uncertainty Bearing Theory of Profit	(2) J. B. Clark
(C) Dynamic Theory of Profit	(3) Joseph Schumpeter
(D) Innovation Theory of Profit	(4) Hawley

Code:

- | | | | | |
|----|---|---|---|----|
| 1. | A | B | C | D. |
| | 2 | 3 | 1 | 4 |
| 2. | A | B | C | D. |
| | 4 | 1 | 2 | 3 |
| 3. | A | B | C | D. |
| | 3 | 2 | 4 | 1 |
| 4. | A | B | C | D. |
| | 2 | 1 | 4 | 3 |

Correct Option - 2

Que. 47 If a straight line consumption function intercepts the vertical axis:

1. The MPC is constant and the APC rises as the level of disposable income increases.
2. The MPC and APC both rise as the level of disposable income increases.
3. The MPC is constant and the APC falls as the level of disposable income increases.
4. The MPC and APC both fall as the level of disposable income increases.

Correct Option - 3

Que. 48 Vertical slope of Phillips curve implies that stabilization policy of government is:

1. Ineffective
2. Highly effective
3. Adversely effective
4. Not related at all

Correct Option - 1

Que. 49 Which one of the following is not correct?

1. Disposable income = Personal income - Personal taxes
2. National Income = NNP at market price - Indirect taxes + Subsidies
3. NDP at factor cost - NNP at factor cost + Net income from abroad
4. NNP at market price = GNP at market price - Depreciation

Correct Option - 3

Que. 50 Which policy is considered the main instrument of economic management policy by Keynesian economists

1. Monetary policy
2. Fiscal policy
3. Laissez-faire policy
4. Mix of monetary and fiscal policy

Correct Option - 2

Que. 51 The Harrod-Domar growth model suggests that growth is:

1. directly related to savings and inversely related to the capital/output ratio
2. directly related to the capital/output ratio and inversely related to savings
3. indirectly related to savings and the capital/output ratio
4. directly related to savings and the capital/output ratio

Correct Option - 1

Que. 52 Suppose for a particular hypothesis, level of significance is 0.05 and probability of making Type II error is 0.10, then the power of test is:

1. 0.85
2. 0.90
3. 0.95
4. 1.00

Correct Option - 2

Que. 53 Current Capital to Risk Asset Ratio (CRAR) of Indian banks is:

1. approx. 8 percent
2. approx. 10 percent
3. approx. 14 percent
4. approx. 17 percent

Correct Option - 3

Que. 54

In the early post-reform period, which kind of interest rate policy was followed by Reserve Bank of India?

- 1. controlled interest rate policy
- 2. administered interest rate policy
- 3. fix interest rate policy
- 4. liberal interest rate policy

Correct Option - 4

Que. 55 Match List - I with List-II and select the correct answer by choosing the codes given below :

List-I	List-II
(A) Life Cycle hypothesis	(1) J. M. Keynes
(B) Relative Income Hypothesis	(2) Duesenberry
(C) Absolute Income Hypothesis	(3) Milton Friedman
(D) Permanent Income Hypothesis	(4) Ando Modigliani

Code:

- 1. A B C D
2 1 3 4
- 2. A B C D
4 3 2 1
- 3. A B C D
3 4 1 2
- 4. A B C D
4 2 1 3

Correct Option - 4

Que. 56 What policy mix would you recommend, if an economy is having external equilibrium but is faced with unemployment and inflation?

- 1. Tighter monetary policy and contractionary fiscal policy
- 2. Tighter monetary policy and expansionary fiscal policy
- 3. Easy monetary policy and expansionary fiscal policy
- 4. Easy monetary policy and contractionary fiscal policy

Correct Option - 3

Que. 57 Which one of the following pairs is not correctly matched?

- 1. Stylized facts-Kaldor
- 2. Neoclassical growth model-Solow

3. Endogenous growth model-Lucas
4. Golden rule of accumulation-Arrow

Correct Option - 4

Que. 58 In the Neoclassical growth model, which of the following is considered as engine of economic growth?

1. Only capital
2. Only labour
3. Labour and capital both
4. Technological progress

Correct Option - 4

Que. 59 In Harrod's model of economic growth, investment is a proportion of:

1. Rate of interest
2. Rate of change of price level
3. Expected additional output required
4. National Income

Correct Option - 3

Que. 60 In Harrod-Domar growth model, when actual rate of growth is less than warranted rate of growth, the result is :

1. Inflation
2. Reduction in investment
3. Increase in investment
4. Increase in employment

Correct Option - 2

Que. 61 Kaldor's growth model is based on certain assumptions:

- (I) Output consists of wages and profits only.
(II) Investment output ratio is an independent variable.
(III) There is less than full employment.
(IV) There is no difference in MPS of capitalists and wage earners.

Choose the correct code:

1. I and II
2. II and III
3. III and IV
4. I and III

Correct Option - 1

Que. 62 Who among the following did not develop the endogenous growth model?

1. Robert Lucas
2. Joan Robinson
3. Paul Romer
4. Kenneth Arrow

Correct Option - 2

Que. 63 Which of the following is correct interpretation of the Golden rule of accumulation?

1. It is per capita capital at which savings per person and investment per person are maximum.
2. It is a dynamic equilibrium in which capital gross more than output.
3. Under conditions of natural growth, the rate of investment is equal to the competitive rate of profit.
4. Marginal productivity of capital is greater than the rate of growth of population.

Correct Option - 1

Que. 64 Which of the following is not correct?

1. Existing output undergoing qualitative improvement may be due to technical progress.
2. Technical progress may lead to increase in output per worker at each level of the capital-labour ratio.
3. Technical progress may be labour saving or capital-saving.
4. Technical progress is not considered as a factor determining the rate of growth in theoretical models.

Correct Option - 4

Que. 65 One of the distributions between public. finance and private finance is that:

1. The state maximises the general welfare of the public while an individual maximises his Own satisfaction.
2. The state adjusts "income to expenditure" while an individual adjusts "expenditure to income".
3. The state cannot borrow money easily while the individual can get loans.
4. The state has no coercive powers while the individual has.

Correct Option - 2

Que. 66 The direct effect of deficit financing is that :

1. employment situation worsens
2. demand and supply of output increases
3. pushes up prices
4. makes market more competitive

Correct Option - 3

Que. 67 Who is the Chairman of the Fourteenth Finance Commission?

1. Abhijit Sen
2. M. Govinda Rao
3. Y. V. Reddy
4. Vijay Kelkar

Correct Option - 3

Que. 68 The most important component of Central Government's non-plan expenditure on revenue account is :

1. Payment of interest
2. Defence services
3. Subsidies
4. Pension

Correct Option - 1

Que. 69 Which of the following items yields maximum revenue in the Union Budget of India ?

1. Service tax
2. Corporation tax
3. Income tax
4. Union Excise tax

Correct Option - 2

Que. 70 Which of the following economic subjects does not come under the ambit of Finance Commission?

1. Division and distribution of income tax and other taxes
2. Grants-in-aid to the states by the Union
3. Distribution of plan revenue resource
4. Matters concerning financial relations between the Union and States

Correct Option - 3

Que. 71 Buoyancy of a tax is defined as:

1. Percentage increase in tax revenue/increase in tax coverage
2. Increase in tax revenue/percentage increase in tax coverage
3. Increase in tax revenue/increase in tax base
4. Percentage increase in tax revenue/percentage increase in tax base

Correct Option - 4

Que. 72 The phenomenon challenging the validity of Heckscher-Ohlin theory is known as:

1. Smith paradox
2. Leontief paradox
3. Marshall paradox

4. Veblen paradox

Correct Option - 2

Que. 73 Which of the following statements is not correct?

1. Devaluation tends to increase the production of exports and of import competing goods.
2. Devaluation will increase the level of National Income only if there are unemployed resources.
3. Devaluation will always lead to a deterioration in the terms of trade.
4. Devaluation does not always lead to decrease in the balance of payment deficit.

Correct Option - 3

Que. 74 Match List-I with List-II and select the correct answer by using the codes given below :

List-I

List-II

- | | |
|--|----------------------------|
| (A) Custom Unions | (1) David Hume |
| (B) Offer Curves | (2) Jacob Viner |
| (C) Different relative factor-endow- ments | (3) Marshall and Edgeworth |
| (D) Price-specie flow mechanism | (4) Heckscher and Ohlin |

Codes :

- | | | | | |
|----|---|---|---|---|
| 1. | A | B | C | D |
| | 4 | 2 | 3 | 1 |
| 2. | A | B | C | D |
| | 2 | 1 | 3 | 4 |
| 3. | A | B | C | D |
| | 2 | 3 | 4 | 1 |
| 4. | A | B | C | D |
| | 3 | 2 | 4 | 1 |

Correct Option - 3

Que. 75 When a nation imposes a import tariff, nation's offer curve will :

1. shift away from the axis measuring its export commodity
2. shift away from the axis measuring its import commodity
3. will not shift
4. any of the above is possible

Correct Option - 2

Que. 76 The form of economic integration in which member nations eliminate tariffs on trade among themselves, adopt the common external tariff wall and allow for free movement of labour and capital within the union is called:

1. Free trade area
2. Custom union

3. Common market
4. Economic union

Correct Option - 3

Que. 77 The Stolper-Samuelson theorem postulates - that the imposition of import tariff will result in:

1. an increase in the real returns to the scarce factors.
2. a decrease in the real returns to the scarce factors
3. an increase in the real returns to the abundant factors
4. an increase in the real returns to the scarce and abundant factor

Correct Option - 1

Que. 78 The appropriate expenditure-switching policy to correct deficit in balance of payment is :

1. Revaluation
2. Devaluation
3. Monetary policy
4. Fiscal policy

Correct Option - 2

Que. 79 The Purchasing Power Parity (PPP) theory of the exchange rate implies that the currency of a country A would depreciate against that of country B if:

1. the inflation rate in A exceeds that in B
2. the normal interest rate in A exceeds that in B
3. the growth rate of GDP in B exceeds that in A
4. foreign direct investment moves from B to A

Correct Option - 1

Que. 80 If there are no tariffs on final goods but there is tariff on important inputs, effective rate of protection will be:

1. Infinite
2. Zero
3. Positive
4. Negative

Correct Option - 3

Que. 81 Which of the following is not correctly matched ?

1. Dutch diseases-Existence of non- trade goods sector in an economy
2. Common market-MERCOSUR

3. Marshall learner condition— Elasticity conditions under which a change in a country's exchange rate would improve its balance of trade
4. J curve-Effective rate of protection

Correct Option - 4

Que. 82 Current Account Deficit is the difference between :

1. Government revenue and expenditure
2. Money supply and money demand
3. Value of exports and imports
4. Assets and liabilities of Central Bank

Correct Option - 3

Que. 83 The merit of zero based budgeting is that :

1. tax liability is reduced
2. deficit financing becomes zero
3. expenditure is rationalized
4. profits go up

Correct Option - 3

Que. 84 Which type of unemployment is chronic?

1. Disguised
2. Frictional
3. Seasonal
4. Structural

Correct Option - 4

Que. 85 An inflationary gap is caused by:

1. Low income
2. Low rate of interest
3. Falling prices
4. Excess demand

Correct Option - 4

Que. 86 On the basis of given information about consumption and disposable income four statements are given. Choose the correct code selecting right statements:

A house-hold plans to consume 400 when disposable income is 500, 480 when it is 9600 and 560 when it is 700.

(I) MPC is 0.8 and APC is decreasing.

(II) MPC is 0.8 and APC 0.92 when income is 500, 0.90 when income is 600 and 0.88 when income is 700.

- (III) MPC and APC both are equal.
(IV) MPC is 0.8 and APC is also 0.8 for all levels of income.

Choose the correct code:

1. I and II
2. III and IV
3. Only I
4. Only III

Correct Option - 2

Que. 87 Given : Money supply (M_s) = 200, Transaction demand (M_t) = $0.25 Y$ and Speculative demand (M_a) = $50 - 200 i$, the LM equation is:

1. $Y = 1000 + 750 i$
2. $Y = 1000 - 750 i$
3. $Y = 600 + 800 i$
4. $Y = 600 - 800 i$

Correct Option - 3

Que. 88 A redistribution of income in a country can be best brought about through:

1. progressive taxation combined with regressive expenditure
2. regressive taxation combined with progressive expenditure
3. progressive taxation combined with progressive expenditure
4. regressive taxation combined with regressive expenditure

Correct Option - 3

Que. 89 In which year was the Fiscal Responsibility and Budget Management Act passed?

1. 1991
2. 1999
3. 2005
4. 2010

Correct Option - 3

Que. 90 Which is the best performing state in terms of growth rate as per 2012-13 data?

1. Gujarat
2. Bihar
3. Punjab
4. Kerala

Correct Option - 2

Que. 91 Which of the following schemes provides relief to the farmers in the interest rate on timely repayment of crop loan?

1. NABARD Refinance Scheme
2. National Food Security Mission
3. Rashtriya Krishi Vikas Yojana
4. Interest Subvention Scheme

Correct Option - 4

Que. 92 Which of the following statements is not correct?

1. Compound annual growth rate of employment in India during 2004-05-2011-12 was less as compared to 1999-2000-2004-05.
2. Unemployment rate in India is around 2 percent under usual status.
3. There is steep reduction in unemployment rate under Current Daily Status (CDS).
4. Employment in manufacturing sector at all India level in the second half of last decade (2005-2010) has declined

Correct Option - 2

Que. 93 Vijay Kelkar Committee 2012 was related to which of the following subjects?

1. Banking reforms
2. Fiscal consolidation
3. Tax reforms
4. Subsidies.

Correct Option - 2

Que. 94 Which of the following institutes operates the Rural Infrastructure Development Fund (RIDF) in India?

1. RBI
2. SBI
3. DRDA
4. NABARD

Correct Option - 4

Que. 95 Which of the following external agencies is providing financial help for Delhi Mumbai Industrial Corridor (DMIC) Project?

1. Government of Japan
2. Government of UK
3. Asian Development Bank
4. World Bank

Correct Option - 1

Que. 96 Which of the following is not an objective of food management in India?

1. Procurement of foodgrains from farmer at remunerative prices
2. Distribution of foodgrains to the consumer at affordable prices
3. Export of foodgrains to earn foreign exchange
4. Maintenance of food buffers for food security and price stability

Correct Option - 3

Que. 97 Unbalanced growth hypothesis is formulated on the assumption:

1. that supplies of capital and labour are limited
2. of unlimited supplies of labour and capital
3. of limited supply of labour but unlimited supply of capital
4. that expansion takes place simultaneously on several fronts

Correct Option - 1

Que. 98 What is the appropriate measure of the central tendency?

1. Arithmetic average
2. Geometric average
3. Harmonic average
4. Mode

Correct Option - 1

Que. 99 Given two regression lines:

$$8X - 10Y + 66 = 0$$

$$40X - 18Y = 214$$

What is the correct combination of values of X and Y?

1. $X = 11, Y = 13$
2. $X = 13, Y = 11$
3. $X = 11, Y = 17$
4. $X = 13, Y = 17$

Correct Option - 4

Que. 100 If a constant value 5 is subtracted from each observation of a set, the variance is:

1. reduced by 5
2. increased by 5
3. unaltered
4. reduced by 25

Correct Option - 3