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JKPSC
Asst Prof.

Previous Year Paper
(Economic)
27 Aug, 2023

1. In the federal finance system which governments are included?

   A) Central government

   B) State government

   C) Local government

   D) All of the above

2. Choose the correct answer from the following.

   1. The constitution of India makes a clear division of fiscal powers between the union and the state government.

   2. This division follows the allocation of revenue between the center and the state on the lines of the government of Inda act, of 1935.

   Codes:

   A) Only statement 1 is correct

   B) Only statement 2 is correct

   C) Both statements are correct

   D) Both statements are incorrect

3. Choose the incorrect option from the following.

   A) First five-year plan-1951-52

   B) 14th finance commission-2nd Jan 2013

   C) First finance commission–1951

   D) 12th five-year plan-2005 to 2010

4. There has been growing conflict and tension between the Indian Union and the states in the matter of finance. Which of the statement is not the reason of this conflict?

   A) The basic assumption of the constitution in favor of a strong central is no longer acceptable.

   B) The center has been duplicating s number of department which have no functions to perform I.e., education, and health, which are all state subjects.

   C) Since independence, the center has been slowly extending their function in such a way as to keep the states completely dependant on it.

   D) The center has been interfering in the affairs of the state even in the field of law and order which is purely a state subject.

5. The grants from the center to the state under the finance commission's recommendations are known as.

A) Plan grants

B) Development assistance

C) Statutory grants

D) Discretionary grants

6. Arrange the introduction of the following taxes in India in chronological (Ascending) order.

1. Service tax

2. Income tax

3. Banking cash transaction tax

4. Gift tax

A) 2, 4, 1, 3

B) 2, 1, 3, 4

C) 2, 3, 1, 4

D) 4, 2, 1, 3

7. Which of the following indicator used to measure multidimensional poverty India?

A) Per Capital Income

B) Consumer Price Index

C) Human Development Index

D) Disposable Income

8. The Tendulkar Committee recommended using which method for estimating poverty in India?

A) Food-based approach

B) Income-based approach

C) Multidimensional approach

D) Inflation based approach

9. The Tendulkar Committee's poverty line was based on the concept of:

A) Absolute poverty

B) Relative poverty

C) Income inequality

D) Social exclusion

10. Which government initiative preceded the Jawahar Rojgar Yojana?

A) Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)

B) Pradhan Mantri Awas Yojana (PMAY)

C) National Rural Livelihood Mission (NRLM)

D) National Rural Employment Program (NREP)

11. MGNREGA provides a legal guarantee of employment within how many days of making a job application?

A) 7 days

B) 15 days

C) 30 days

D) 45 days

12. Subimal Dutt Committee Report is also known as-

A) Industries development and regulation Act Committee

B) Industrial licensing policy inquiry committee.

C) Industrial policy committee of 1980.

D) Industrial policy resolution 1956

13. During which period was the Hindu Growth Rate commonly associated with?

   A) 1950s-1960s

   B) 1960s-1980s

   C) 1990s-2000s

   D) 2010s-2020s

14. Under Targeted Public Distribution System at the 50 per cent of the economic cost food grain quota for below poverty families was increased from:

   A) 5 kg to 10kg from per month year 2001

   B) 10kg to 15 kg per month from year 2003

   C) 10kg to 20 kg per month from year 2000

   D) 5 kg to 15 kg per month from year 2005

15. The Seed Bill 2004 includes provisions related to:

   A) Intellectual property rights for plant varieties

   B) Compulsory registration of varieties based on agronomic performance data

   C) Regulation of import and export of seeds.

   D) All of the above

16. The main objective of the Ceiling on Land Holdings Act is to:

   A) Restrict the maximum size of land that an individual or entity can own

   B) Promote consolidation of fragmented landholdings

   C) Encourage land consolidation for industrial purposes

   D) Facilitate the transfer of agricultural land to non-agricultural use

17. The Foreign Exchange Management Act (FEMA) was enacted in India to:

    A) Regulate foreign trade and investment policies

    B) Control the flow of foreign exchange and prevent money laundering

    C) Promote bilateral trade agreements with other countries

    D) Establish a central authority for foreign exchange management

18. PURA was conceptualized by: .

    A) Dr. A.P.J. Abdul Kalam

    B) Dr. Manmohan Singh

    C) Shri Narendra Modi

    D) Shri Rajiv Gandhi

19. **Assertion (A):** the central bank buys or sells securities in the open market, the level of bank reserves expands or contracts.

    Reason (R): it sells securities to the public and banks who make payments to the central bank through cash and cheques.

    Choose the correct answer from the codes given below-

    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 a correct explanation of A

    C) A is correct, but R is incorrect

    D) R is correct, but A is incorrect

20. Which views are associated with the traditional and Keynesian things are

  I.   Money is a medium of exchange

  II.   Currency with the public and demand deposits with a commercial bank

  III. Time deposits are fixed deposits of customers in commercial bank

  IV.   Store of value function of money

  Codes:

  A) I and III are correct

  B) I, II, III and IV are correct

  C) I and IV are correct

  D) I and II are correct

21. Who believed that "as long as an economy is capitalist, it will be financially unstable".

  A) Schumpeter

  B) Hyman Minsky

  C) G. Ingham

  D) Reinhart and Rogoff

22. Keynesians believe that

  A) Supply creates its own demand

  B) The transaction demand for money is inversely related to income.

  C) An expansionary fiscal policy leads to some crowding out of private investment

  D) All of the above

23. Who has suggested to the establishment of a Central Bank to be called the Reserve bank of India?

  A) Hilton Young commission

  B) Keynes

  C) Warren Hasting

  D) Robert Richards

24. Arrange in chronological order (descending), the establishment of the following in India

    1. Credit monitoring Arrangement

    2. All India Rural Credit Survey Committee

    3. Agricultural Credit Department

    4. Credit Guarantee Schemes

    Codes:

    A) 4, 3, 1, 2

    B) 1, 4, 2, 3

    C) 2, 4, 1, 3

    D) 1, 3, 4, 2

25. Which one of the following is not an objective of the lead bank scheme.

    A) To mobilise deposits on a massive scale

    B) To increase lending on reasonable terms to the weaker section of the society

    C) To expend the network of bank ranches in unbanked and underbanked area

    D) To enhance the proportion of bank finance to the low priority sectors

26. Which one of the following is not an instrument of monetary policy?

    A) Open Market Operations

    B) Reserve requirements

    C) Call Money Market

    D) Discount Rate

27. Choose the correct answer

    I.   Indian Banking system has a very wide reach and deep presence in metropolises, cities, and semi urban area

    II.   Indian banks have been playing an important role in developing mutual funds, merchant banks, primary dealers, assets management companies and debt market.

    A)   I and II both are correct

    B)   I and II Both are incorrect

    C)   I is correct and II incorrect

    D)   I is Incorrect and II is corrects

28. The Boumol -Tobin's model of Cash management is an attempt

    A)   To examine the cost and benefits of holding money

    B)   To examine the medium of exchange function of money

    C)   To examine the effects of an increase in riskiness of bonds

    D)   To examine the determinant of demand for money

29. The supply of money in any economy is determined by

    A)   The policies of the central banks

    B)   The behaviour of the households who hold the money

    C)   The behaviour of the banks were the money is held

    D)   All of the above

30. Financial intermediation is the process of transaction of fund from

    A)   Borrowers to the Savers

    B)   The banks to the savers

    C)   The savers to the borrowers

    D)   The savers to the bank

(07) (D)   (10)

31. When output increases the LAC falls.
    A) Economics of scale
    B) Law of variable proportion
    C) Diseconomies of scale
    D) Law of diminishing return

32. Match column (a) with b

    Column - A   **Column - B**
    a) Monopoly,   I.   No close substitute
    b) Monopolistic competition   II. Identical product
    c) Perfect competition   III. Little or no difference in product
    d) Oligopoly   IV. The perceived difference in product

    A) I,IV,II,III
    B) I, IV, III, II
    C) I, II,IV,III
    D) II, IV,III,I

33. Arrange the following in chronological order of consumer behaviour
    I.   Law of diminishing marginal utility
    II. Indifference curve analysis
    III. Law of demand
    IV. Revealed preference analysis
    A) III, II, I, IV
    B) III, II, IV, I
    C) III, I, II,IV
    D) III, I, IV,II

34. Arrange the following in chronological order concerning their contribution to consumer behaviour
    A) Marshall,hicks, R.GDAllen, Samuelson,
    B) Samuelson, hicks, Marshall, R.GD Allen
    C) Marshall, hicks, Samuelson, R.GD Allen
    D) Marshall, Samuelson,hicks,R.GDAllen

35. The elasticity of substitution in the case of the Cobb-Douglas production function is

   A) 0
   B) 1
   C) 1.5
   D) -1

36. choose the correct answer from the below

   Assertion (A): there is the existence of price rigidity in an oligopolistic market,

   Reason (R): rival firms match price decreases but not price increases.

   A) (A) is true, but (R) is false.
   B) (A) is false, but (R) is true
   C) Both (A) and (R) are true and (R) is the correct explanation of (A).
   D) Both (A) and (R) are true, but (R) is not the correct explanation of (A).

37. In which condition does an industry result in Nash equilibrium

   A) All firms have a dominant strategy, but only some choose to follow it.
   B) All firms have a dominant strategy and each firm chooses its dominant strategy.
   C) All firms have a dominant strategy, and none choose it.
   D) All the firms have a non-dominant strategy and choose to follow it.

38. In the prisoner's dilemma with Karan and Arjun, each prisoner will be best off if

   A) Both prisoners deny
   B) Karan denies and Arjun confesses
   C) Arjun denies and Karan confesses
   D) Both prisoners confess

39. The Basic Principle of Welfare Economics

   A) Holds that the allocation of resources generated by a complete system of perfectly Competitive markets is Pareto efficient.
   B) Suggests that no market intervention can be justified based on efficiency.
   C) Shows that the allocation of resources generated by a complete system of perfectly competitive markets results in all consumers attaining the same utility level.
   D) Refers to the biblical observation that "the poor ye shall always have with you."

40. Choose the correct answer

Statement (1): Under perfect competition, the government decides the prices of all the products and services.

Statement (2): Perfect competition hypothetical situation.

- A) (1) is correct and (2) is incorrect.
- B) (1) is incorrect and (2) is correct.
- C) Both (1) and (2) are correct.
- D) Both (1) and (2) are incorrect.

41. The kinked demand curve shows

- A) Price leadership
- B) In the oligopoly market structure output determination
- C) Collusion
- D) Price rigidity

42. The inverse price-quantity relationship is derived from the revealed preference theory. based on

- A) Assumption of indifference
- B) The observed behaviour of the consumer
- C) The postulate of utility maximization
- D) Introspections

43. Match the following

a)	Permanent income hypothesis	I.	F. Modigliani
b)	Relative income hypothesis	II.	J. m Keynes
c)	Absolute income hypothesis	III.	M. Friedman
d)	Life cycle hypothesis	IV.	J. Dusenberry

Codes:

	a)	b)	c)	d)
A)	II	III	IV	I
B)	I	IV	III	I
C)	III	II	I	IV
D)	III	IV	II	I

44. V stands for the following in the quantity theory of money
   A) The velocity of a rupee
   B) The value of a rupee
   C) The velocity of production
   D) The worth of a product

45. According to Keynes liquidity preference theory has _____ motives
   A) 2
   B) 3
   C) 1
   D) 4

46. Assertion (A); During the period of covid 19 income of the people fell so did aggregate demand

   Reason (R); according to Keynes government should follow the expansionary fiscal policy with higher government expenditure and lower tax
   A) A is true but R is false
   B) Both A and R are false
   C) Both A and R are true R is the correct explanation of A
   D) Both A and R are true R is NOT the correct explanation of A

47. If the demand for money is perfectly interest inelastic then the LM will
   A) Vertical
   B) Horizontal
   C) Downward sloping
   D) Upward sloping

48. Which of the following business cyclemodel generates a constrained cycle
   A) Samuelson's model
   B) Kaldor's model
   C) Hick's model
   D) Keynes's model

49. Consumption is said to be irreversible; which following hypothesises are correct
   A) relative income hypothesis
   B) absolute income hypothesis
   C) permanent income hypothesis
   D) life cycle hypothesis

(07) (D)   (14)

50. Chronologically arrange the following theories
   I.   Fisher's version of the quantity theory of money
   II. Cambridge version of the quantity theory of money
   III. Baumol's theory of demand for inventory
   IV. Tobin's theory of demand for money
   A) I, II, III, IV
   B) II, I, III, IV
   C) III, IV, I, II
   D) IV, III, II, I

51. **Statement A:** The price of bonds and market interest rates are inversely related
   Statement B: The liquidity trap occurs when all asset owners turn into bears at a certain extremely low-interest rate.
   A) A is correct but B is false
   B) B is correct but A is false
   C) Both are correct
   D) Both are incorrect

52. When exchange rates are set in the Mundell-Fleming model, the central bank's attempts to reduce the money supply
   A) Lead to a higher equilibrium level of income.
   B) Lead to a lower equilibrium level of income.
   C) Must be given upto keep the exchange rate constant.
   D) Fiscal policy expansion is required to balance this
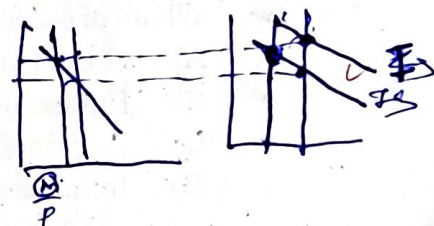
53. A new classical macro-economic model developed by Lucas shows that expansionary macro policies affect aggregate output
   A) Only when the macro policy change is unanticipated
   B) Only when the macro policy change is anticipated
   C) Only after a long and variable lag, provided the policy is anticipated
   D) Relatively quickly, provided the policy is anticipated

54. According to the rational expectations hypothesis, whenever the macro-economic policy is changed
   A) The economy will become highly unstable
   B) People will be slow to catch on to the change
   C) People will make systematic mistakes.
   D) The way expectations are formed will change.

55. Which of the following describes the poverty in best way?
    A) Unequal distribution of income
    B) Equal distribution of income
    C) A condition of deprivation marked by a lack of essentials
    D) Absence of economic growth

56. Which of the following exemplifies multidimensional poverty?
    A) Lack of access to education
    B) Lack of health care facilities
    C) Inequality distribution of income and wealth
    D) All of the above

57. Arrange the following in chronological order
    I. SDGs
    II. MPI
    III. PQLI
    IV. HDHDI
    A) III, IV, II, I
    B) IV, III, I, II
    C) IV, III, II, I
    D) III, IV, I, II

58. Which of the following is not a commonly used indicator for measuring development?
    A) Gross Domestic Product (GDP)
    B) Human Development Index (HDI)
    C) Gini coefficient
    D) Inflation rate

59. **Assertion (A):** The Lewis Model of an unlimited supply of labour suggests that in developing economies, the agricultural sector acts as a reservoir of surplus labour, which can be mobilized to fuel industrialization.
    Reason (R): The Lewis Model proposes that in dualistic economies, characterized by a traditional agricultural sector and a modern industrial sector, an unlimited supply of surplus labour exists in the agricultural sector.
    A) A is correct but R is false
    B) R is correct but A is false
    C) Both are correct
    D) Both are incorrect

60. According to the Lewis Model, what happens when the industrial sector expands?
    A) Surplus labour in the agricultural sector increases.
    B) Wages in the industrial sector decreased
    C) Labour mobility between sectors becomes impossible
    D) Surplus labour in the agricultural sector is absorbed into the industrial sector.

61. What does organizational dualism refer to in the context of economic development?

   A) The coexistence of traditional and modern organizational structures within an economy

   B) The existence of two competing industries in a developing economy

   C) The division of labour between the agricultural and industrial sectors

   D) The presence of hierarchical structures within organizations

62. HDI entrusted with reference to

   I. Life expectancy at birth

   II. Real GDP/per capita income

   III. Infant mortality rate

   IV. Morbidity

   A) I and II are correct

   B) II and III are correct

   C) I and III are correct

   D) I and IV are correct

63. market failure refers to

   A) In mature economies, markets are unable to distribute resources effectively.

   B) The absence of markets with strong competition in developing nations.

   C) The market intervention by the government that failed

   D) Markets' failure to correct market flaws and produce desired development results.

64. In terms of development economics, brain drain can have both beneficial and detrimental effects. Which of the following best sums up the possible advantages of brain drain?

   A) Skilled professionals are lost as a result of brain drain, leaving emerging nations with a talent shortage.

   B) Skilled labour mobility encourages remittances, which support economic growth in the home country.

   C) The spread of knowledge and technological capacity within developing nations is improved through brain drain.

   D) The global economy becomes less innovative and competitive as a result of the exodus of qualified workers.

65. Divergence is a term used in development economics to describe
    A) The gradual global convergence of economic indices.
    B) The growing disparity in income between industrialised and poor nations.
    C) The harmonisation of institutions and policies in international commerce.
    D) Every country achieves its sustainable development objectives.

66. The Headcount Index, a popular tool for measuring poverty, stands for:
    A) The total number of people that are considered to be poor.
    B) The typical annual income of those who are considered to be in poverty.
    C) The percentage of people who are poor or near poor.
    D) The unequal income distribution among those who live in poverty.

67. Robinson's growth model, capital accumulation depends on
    A) Saving-income ratio
    B) Saving -investment ratio
    C) Labour productivity and profit-wage relation
    D) Capital productivity and profit-income ratio

68. In the Harrod-Domar model capital accumulation depends on
    A) Saving-income ratio
    B) Saving -investment ratio
    C) Labour productivity and profit-wage relation
    D) Capital productivity and saving ratio

69. Which of the following explains the convergence that the Solow growth model displays?
    A) Decline marginal productivity of capita
    B) Neutral technical progress
    C) Static capital-labour ratio
    D) Constant rate of growth of the population

70. Which of the production function matches the best for the assumption of the Harrod-Domar growth model
    A) Homogenous production function
    B) Linear production function
    C) C.E. S production function
    D) Non-linear production function

71. **Assertion (A):** The two-gap model suggests that developing countries face simultaneous savings and foreign exchange gaps, which hinder their economic development.

Reason (R): The savings gap refers to insufficient domestic savings in developing countries to finance their investment needs.

A) (A) is true, but (R) is false.

B) (A) is false, but (R) is true

C) Both (A) and (R) are true and (R) is the correct explanation of (A).

D) Both (A) and (R) are true, but (R) is not the correct explanation of (A).

$$y = c + I + u + (x - M)$$
$$(x - M) \pm (I - S)$$
$$\equiv I - u$$

72. Arrange the following economic growth models in chronological (Ascending) order:

   I. Harrod-Domar model

   II. Solow-Swan model

   III. Meade model

   IV. Joan Robinson model

   V. Romer and AK model

   A) III - I - II - IV - V

   B) II - I - III - IV - V

   C) IV - III - II - I - V

   D) I - II - III - IV - V

73. Which of the following claims about the Romer model of economic growth is accurate?

   A) The Romer model strongly emphasises the role of natural resources in promoting economic progress.

   B) The Romer model holds that technological advancement is exogenously determined and independent of economic variables.

   C) The Romer model highlights the role of human capital and knowledge spillovers in promoting long-term economic growth.

   D) According to the Romer model, population increase is the main factor influencing economic growth.

74. According to the Romer model of economic growth, which of the following factors contributes to sustained long-term growth?

   A) Technological innovation

   B) Accumulation of physical capital

   C) Stable population growth

   D) Trade deficits and import dependency

(07) (D)   (19)

75. Which of the following variables is emphasised as a driver of economic development in the Meade model of economic growth?

   A) Savings and investments made at home
   B) Innovation and technological advancement
   C) Income distribution and poverty reduction
   D) International trade and globalization

76. Who calls Meade's model pseudo-causal

   A) Harrod- Domar
   B) Mrs Robinson
   C) Solow
   D) Ujawa

77. Which of the following is not the assumption of UJAWA'S two-sector model

   A) There is no technical progress
   B) There is perfect competition
   C) The economy is closed
   D) There are increasing returns to scale in the production of the two goods.

78. Match the following economic growth models with their primary drivers of economic growth:

   a) Harrod-Domar model
   b) Solow model
   c) Joan Robinson's model
   d) Romer model

   I. Capital accumulation and investment
   II. Technological progress and innovation
   III. Income distribution and profit-led growth
   IV. Knowledge spillovers and human capital

   Codes:

	a)	b)	c)	d)
A)	II	I	III	IV
B)	I	II	III	IV
C)	III	II	I	IV
D)	IV	III	II	I

(07) (D)   (20)

The handwritten equations on the right margin:

$$\Delta Y = W \cdot L + r K + Y'$$
$$\frac{\Delta Y}{Y} = \frac{W \Delta L}{Y} + \frac{r \Delta K}{Y} + \frac{Y'}{Y}$$
$$\frac{\Delta Y}{Y} = \frac{L}{Y} \cdot \frac{\Delta W}{\cdot} + \frac{K}{Y} \cdot \Delta r \cdot \Delta r'$$
$$\frac{\Delta Y}{Y} = \frac{L \omega}{Y} \frac{\Delta \omega}{\omega} + \frac{K r}{Y} \cdot \frac{\Delta r}{r} \frac{\Delta Y}{Y}$$
$$y = a u + b r \, \Delta n.$$
$$y = a = k^r$$

79. If (k/l) a > (k/l) b, then the nation a is $(k_L)_a > (k_L)_b$

   A) A Country is capital abundant

   B) A Country is labour abundant

   C) Capital is available at a cheap rate

   D) Cheap labour is available

80. Stolper-samuelson theorem deals with

   A) The effect of the tariff on domestic price

   B) The effect of growth on terms of trade

   C) The effect of tariff on factor prices

   D) The effect of factor growth on production and trade

81. The absolute advantage theory of international trade was propounded by

   A) Marshall

   B) Adam smith

   C) Haberle

   D) Heckscher -Ohlin

82. The formula for measuring intra-industry trade is

   A) $T = 1 - |X - M| X + M$

   B) $T = 1 - |X - M|$

   C) $X - M$

   D) $T = 1 - X + M$

$$1 - \frac{X-M}{X+M} \cdot 1pm$$

$$\frac{350}{260} = 1\$ = 1\$ \quad 1 dollar$$

83. **Assertion (A):** The increased value of the exchange rate makes imports less expensive for the residents of the country where the exchange rate is appreciated.

   Reason (R): The increased value of the exchange rate makes Indian goods more expensive on world markets.

   A) (A) is true, but (R) is false

   B) Both (A) and (R) are correct but (R) is not a correct explanation of (A)

   C) (A) is not correct and (R) is correct

   D) Both (A) and (R) is correct and (R) is the correct explanation of (A)

84. Sometimes countries do not want their exchange rate to change in this context which is correct

    I.   They may want to avoid sharp rises in the cost of living for their citizens when their currency depreciates

    II.   They may want to keep net exports from falling when their currency appreciates

    III.   To prevent the value of the currency from changing, the government can enter the foreign exchange market to try to influence the price of foreign exchange.

    IV.   The government does not enter in the foreign exchange market to try to influence the price of foreign exchange.

Codes:

A) II, III and IV correct

B) Only III correct

C) I, II, and III correct

D) I and III correct

85. Double-entry book keeping system means

A) An accounting system that is useful for small business

B) An accounting system involving all interested parties of accounting information

C) An accounting system in which transactions are recorded from a single aspect

D) An accounting system in which transaction is recorded twice one as a credit and one is a debit of an equal amount

86. Given the following information match the items in List -I with List - II ,

	List - I		List -II
a)	Viner	1.	The general theory of second best
b)	Meade	2.	Development of theory of customs unions
c)	Johson	3.	Consumption effect
d)	Lispsey and Lancaster	4.	Total welfare gain of customs union

Codes:

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

87. Arrange the following in chronological (decending) order as per their year of establishment

    I.   Latin American Free Trade Association (LAFTA)

    II.   Southern Common Market (Mercasfur)

    III. East African Community (EAC)

    IV. Caribbean Free Trade Association

Codes:

    A)   I, III IV, II

    B)   IV, II, III, I

    C)   I, II, III, IV

    D)   IV, III, II, I

88. Which one of the following is an exception of the Stolper-Samuelson theorem

    A)   LM curve

    B)   Mercosure

    C)   Metzler paradox

    D)   Tariff

89. Factor-price equalization theorem deals with

    A)   The effect of international trade on market price

    B)   The effect of international trade on factor price

    C)   This predicts the pattern of trade

    D)   The effect of international trade on tariff

90. A fall in aggregate output will result from an expansionary monetary policy in the new classical model if

    A)   The increase in money supply is greater than anticipated

    B)   The increase in money supply is less than anticipated

    C)   The increase in money supply comes as a surprise.

    D)   The Fed announces the policy decision before its implementation

(07) (D)
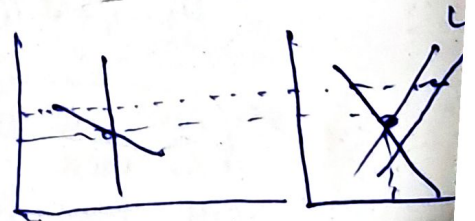
91. Let A = {1, 2, 3, 4} and B = {3, 4, 5, 6}. Which of the following statements is true?

A) $A \cup B = \{1, 2, 3, 4, 5\}$

$A \cup B = \{1\ 2\ 3\ 4\ 5\ 6\}$

B) $A \cap B = \{3, 4\}$

C) $A \subset B$

D) $B \subset A$

92. Which of the following is NOT a measure of central tendency?

A) Mean

B) Median

C) Mode

D) Range

93. Match the following

List - 1

a) Linear function
b) Quadratic function
c) Exponential function
d) Power function

List -2

1. $f(x) = ax + b$
2. $f(x) = ax^2 + bx + c$
3. $f(x) = ab^x$
4. $f(x) = ax^b$

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

94. What is the formula of sample variance

A) $s^2 = \Sigma((x - \dot{x})^2 / (n-1))$.

$$\frac{\Sigma(x - \bar{x})^2}{n-1}$$

B) $\dot{x} = \Sigma x / n$

C) $d = \dot{x}1 - \dot{x}2$

D) $s_i = \sqrt{((s_1^2/n_1) + (s_2^2/n_2))}$

95. Analysis of variance is carried out by using

A) t-test

B) z-test

C) f-test

D) chi-square test

(07) (D)   (24)

96. Which of the following operations is used to multiply sets?

   A) Union

   B) Intersection

   C) Cartesian Product

   D) Subset

97. The ratio of variance is denoted through

   A) Skewness

   B) Variance

   C) F - Test

   D) Z - test

98. In hypothesis testing, a Type I error occurs when:

   A) The null hypothesis is incorrectly rejected when it is true.

   B) The null hypothesis is incorrectly accepted when it is false.

   C) The alternative hypothesis is incorrectly rejected when it is true.

   D) The alternative hypothesis is incorrectly accepted when it is false.

99. Which of the following is an example of non-probability sampling?

   A) Simple random sampling

   B) Stratified sampling

   C) Convenience sampling

   D) Cluster sampling

100. Fishers' index is used to measure changes in:

   A) Consumer price levels

   B) Exchange rates

   C) Unemployment rates

   D) Real gross domestic product (GDP)

(07) (D)   (25)

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101. For a moderately skewed distribution, the value of the mode is 20 And the value of the median is 30. Then the mean will be

A) 35

B) 25

C) 45

D) 40

$Z = 2M - 3\bar{x}$

$30 = 2(30) - 3\bar{x}$

$20 = 60 - 3\bar{x}$

$3\bar{x} = 40$

$\bar{x} = \dfrac{40}{3}$

$Z = 3M - 2\bar{x}$

$20 = 3(30) - 2\bar{x}$

$20 = 90 - 2\bar{x}$

$2\bar{x} = 90 - 20$

$2\bar{x} = 70$

$\bar{x} = \dfrac{70}{2}$ (35)

102. Who is credited with inventing probability theory?

A) Blaise Pascal

B) Isaac Newton

C) Carl Friedrich Gauss

D) John Maynard Keynes

103. The financial system of any country consists of

A) Specialised and nonspecialized financial institutions

B) Financial instruments and services

C) A only correct

D) A and B both are correct

104. Which following assumptions regarding the flow of dividends are made to find out the value of shares?

A) Dividends remain constant

B) Dividends grow at a constant rate

C) Dividends grow at a variable rate

D) All of the above

105. Which one is not an objective of credit rating in India

A) To provide superior and low-cost information to investor

B) To impose a health discipline on borrowers

C) To help merchant bankers, brokers, regulatory authorities etc

D) To increase interest costs for highly rated companies.

(07) (D)   (26)

106. Match in List -I (non-banking statutory financial organisation)with items in List-II (year of establishment) and select the correct answer from the code given below

	List - I		List - II
a)	Export -Import bank of India	1.	1989
b)	Shipping Credit and investment corporation of India	2.	1963
c)	Tourism Finance corporation of India	3.	1986
d)	National co-operative development corporation	4.	1982

Codes:

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

107. Match the following

	List -I Housing Financial Institution		List- II Year of establishment
a)	HUDCO	1.	1991
b)	HDFC	2.	1970
c)	National Housing bank	3.	1977
d)	LIC Housing Finance Ltd	4.	1988

Codes

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

108. The financial system has now become more integrated because of

A) The government's entry in wholesale trading of a large number of commodities

B) An unprecedented expansion of the network of private banks in the rural area

C) The evolution of financial institutions as unifunctional institutions

D) All of the above

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109. Choose the correct answer

   I.   The Bombay Stock exchange is the premier or apex stock exchange in India

   II.   The Bombay Stock exchange is biggest in size in terms of the amount of fresh capital raised

   III. The Bombay stock exchange is the oldest market and it has the renewed every 15 years.

   IV. The Bombay Stock Exchange is confined to Mumbai alone

Codes:

A) I and III are correct

B) I, III and IV are correct

C) I and II are correct

D) I, II and III are correct

110. Preference share is *ordiny share*

A) Ownership securities

B) Creditorship security with a floating rate of return

C) Offer a perfect uncertainty of income

D) Complex financial instrument with a number of modification to its general characteristics

111. The Black- Scholes model dealt with

A) Interest rate

B) SWAPS

C) Options valuation

D) Foreign exchange

112. The Khusro committee recommendations were related to

A) Co-operative banks

B) Schedule commercial banks

C) NABARD

D) Regional Rural Banks

113. Match the following

	List - I		List - II
a)	Treasury Bill	1.	Instrument of short term borrowing by the government
b)	Call Money Market	2.	Provide short term loan
c)	Call rate	3.	The rate of interest paid on call loans
d)	money market mutual fund	4.	Short term investment policy arrangements

Codes:

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

114. The scope of public finance consists of the area

   I.   financial administration

   II.   public expenditure

   III. economic stabilization

   IV. public revenue

Codes:

   A)   Option I and II

   B)   Option II and IV

   C)   Option I, II and IV

   D)   All of the above

115. "How income of the economy should be distributed" this kind of activities is studied in which fiscal function of the public sector.

   A)   Allocation functions

   B)   Distribution functions

   C)   Stabilization functions

   D)   None of the above.

116. The displacement effects in the peacock and wiseman's growth model states that.

   A)   Government undertakes more and newer activities and that is why public expenditure rises steeply upwards.

   B)   It is the social disturbance that create the higher level of public expenditure.

   C)   The relative growth of the public sector tends to occur in steady in nature

   D)   The displacement requires the new higher rate of expenditure continues the same expenditure pattern that was created by social disturbance.

117. Which of the following is not aim of the taxation of an economy.
    A) To regulation and control over tax system
    B) To reduction of inequalities in income and wealth
    C) To raise public revenue to meet the increasing public expenditure.
    D) To promote the political party to win the upcoming election.

118. **Assertion (A):** The ability to pay principle of taxation states that every individual should pay taxes according to his ability to pay.

    Reason: the law of diminishing marginal utility of income is the only reason (R): because implies when the income level of an individual increases the ability to pay income also increases.

    Choose the appropriate option from the following
    A) Both A and R is true
    B) A is true but R is false
    C) A is false but R is true
    D) Both A and R is false

119. Which of the option is incorrect_____
    1. When all incomes are taxed at a uniform rate of taxation-----1-Proportional Taxation
    2. When the rate of tax depends on the change in the income of the individual-Regressive Taxation
    3. When the rate of tax decreases due to an increase in income level individual - Progressive Taxation
    A) Only option 1 is incorrect
    B) Option 1 and 2 are incorrect
    C) Option 2 and 3 is incorrect.
    D) All of the above is incorrect

120. The theory of optimum taxation must consist the criteria
    a) The criteria of minimum cost of resources
    b) The criteria of justice of equality
    c) The criteria of economic efficiency
    Codes:
    A) a and b
    B) b and c
    C) a and c
    D) a, b and c

(07) (D)   (30)

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