

COMMON P. G. ENTRANCE TEST – 2024 (CPET-2024)

Test Booklet No. : 00054

Subject Code : 07

Hall Ticket No. :

Subject : ECONOMICS

TEST BOOKLET

Time Allowed : 60 Minutes

Full Marks : 80

: INSTRUCTIONS TO CANDIDATES :

1. The Test Booklet contains 16 pages including the cover page and 80 (Question Nos. 1 to 80) multiple choice questions.
2. DO NOT break open the seal of the Test Booklet until the invigilator instructs to do so.
3. The candidates must check discrepancy, if any (like up-printed or torn or missing pages or missing questions) in the Test Booklet immediately after breaking the seal of the Test Booklet. If detected, the invigilator may be requested to replace the same.
4. Candidates are required to fill up and darken the Hall Ticket No, Test Booklet Serial No. and OMR Answer Sheet Serial No. in attendance sheet carefully. Wrongly filled in OMR Answer Sheet is liable for rejection.
5. Each question has four choices / answers marked (A), (B), (C), (D). Candidate has to select the most appropriate choice / answer to each question and darken the oval completely against the question number provided in the OMR Answer Sheet.
6. Indicate only one choice / answer from the options provided by darkening the appropriate oval in the OMR Answer Sheet. More than one response to a question shall be treated as a wrong answer.
7. Use only **Black Ball Point Pen** for darkening the oval for answering.
8. All the questions are compulsory and they carry equal marks. The total marks scored by a candidate depends on the number of correct choices / answers darkened in the OMR Answer Sheet. There will be no negative marking for wrong answers.
9. No candidate shall be allowed to leave the Examination Hall / Room till all OMR Answer Sheets have been collected by the invigilator.
10. On completion of the entrance test, the original OMR Answer Sheet be handed over to the invigilator. Candidates are allowed to take the second copy of the OMR Answer Sheet along with the used Test Booklet for reference.
11. Candidates are not allowed to carry any personal belongings including electronic devices such as scientific calculator, cell phones, headphones, earbuds, or any other type of devices that allow communication of any kind inside the Examination Room / Hall.
12. The candidates are advised not to scribble or make any mark on the OMR Answer Sheet except marking the answers at the appropriate places and filling up the details required. Rough work, if any, may be done in the blank sheet(s) provided at the end of the Test Booklet.
13. Any malpractice / use of unfair means will lead to your disqualification from the entrance test / admission process and may also lead to appropriate legal action as deemed fit.

DO NOT OPEN THIS TEST BOOKLET UNTIL YOU ARE ASKED TO DO SO

GO – 13/11

(Turn over)

SEAL

00054

1. Which of the following is not one of the ten principles of Economics ?
 - (A) People face trade offs.
 - (B) Trade can make everyone better off.
 - (C) There should be an equitable distribution of income and wealth in an economy.
 - (D) Prices rise when the government prints too much money.
2. If an individual reports that "A is preferred to B" and "B is preferred to C," then he or she must also report that "A is preferred to C". What is this property of preference function known as ?
 - (A) Property of rationality
 - (B) Property of transitivity
 - (C) Property of completeness
 - (D) Property of continuity
3. The most common shape of the production possibility frontier is :
 - (A) Concave to the origin and downward sloping
 - (B) Convex to the origin and downward sloping
 - (C) Convex to the origin and upward sloping
 - (D) Downward sloping straight line
4. What happens to demand for a good X when the price of a substitute good rises ?
 - (A) There will be an increase in the quantity demanded of X
 - (B) There will be an decrease in the quantity demanded of X
 - (C) There will be an increase in the demand for X
 - (D) There will be a decrease in the demand for X
5. If the quantity demanded of a commodity is completely unresponsive to changes in its price, then price elasticity of demand for the commodity is :
 - (A) Zero
 - (B) Infinite
 - (C) Relatively elastic
 - (D) Relatively inelastic

6. If the price elasticity of demand for a product is equal to 0.5, then a 10 percent decrease in price will :
- (A) Increase quantity demanded by 5 per cent.
 - (B) Increase quantity demanded by 0.5 per cent.
 - (C) Decrease quantity demanded by 5 per cent.
 - (D) Decrease quantity demanded by 0.5 per cent.
7. Consumption of a free good will be carried to the point at which :
- (A) The marginal utility derived from the good equals the marginal utility derived from the consumption of all other goods.
 - (B) The total utility derived from the good equals the total utility derived from the consumption of all other goods.
 - (C) The total utility derived from the good is maximum.
 - (D) The marginal utility derived from the good begins to decline.
8. Imagine a budget constraint between 'good y' on the vertical axis and 'good x' on the horizontal. How would that budget line shift if there is a fall in income and the prices of both goods also fell in the same proportion ?
- (A) The budget line would not shift.
 - (B) The new budget line will shift to the left, but will have the same slope as the original one.
 - (C) The new budget line will shift to the right.
 - (D) The budget line will shift to the left and will be flatter than the original one.
9. Why are the indifference curves convex to the origin ?
- (A) The marginal rate of substitution between the two goods increases.
 - (B) The prices of the goods in the market keep varying.
 - (C) The marginal rate of substitution between the two goods declines.
 - (D) Quantities of goods consumed vary as per customer demands.
10. A consumer's income increases. What will be its impact on her indifference map ?
- (A) Indifference map shifts upward.
 - (B) Indifference map shifts downward.
 - (C) The indifference curves become flatter than before.
 - (D) Indifference map remains unchanged.

11. In the long run equilibrium in a competitive market, firms are operating at :
- (A) The minimum point of their average total cost curves
 - (B) The minimum point of their marginal cost curves
 - (C) The falling portion of their marginal cost curves
 - (D) The rising part of their average total cost curves
12. Compared to Perfect Competition, a Monopoly market will always generate :
- (A) A higher price and a lower output
 - (B) A lower price and a higher output
 - (C) A higher price and a higher output
 - (D) A lower price and a lower output
13. Accounting profit is equal to total revenue minus :
- (A) Implicit costs
 - (B) Variable costs
 - (C) The sum of implicit and explicit costs
 - (D) Explicit costs
14. Kinked demand curve explain which of the following features of Oligopoly ?
- (A) Selling cost
 - (B) Price rigidity
 - (C) Non-price competition
 - (D) Product differentiation
15. The lump-sum principle argues in favour of :
- (A) A lump-sum tax on goods and services
 - (B) A lump-sum subsidy on necessities
 - (C) The superiority of taxes on a person's general purchasing power to taxes on specific goods
 - (D) The superiority of taxes on specific goods over taxes on a person's general purchasing power
16. A compensated demand curve shows the price and quantity demanded relationship reflecting the :
- (A) Substitution effect only
 - (B) Income effect only
 - (C) Both substitution and income effect
 - (D) Neither the substitution nor the income effect

17. A two-person zero-sum game means that the :
- (A) The sum of losses to one player is equal to the sum of gains to other
 - (B) The sum of losses to one player is not equal to the sum of gains to other
 - (C) None of the players gain
 - (D) The sum of gains to the players adds up to zero
18. Which of the following items are not included while measuring the Gross National Product ?
- (A) Government expenditure
 - (B) Purely financial transactions
 - (C) Net exports
 - (D) Expenditure incurred for the purpose of consumption
19. Which of the following is not an example of a transfer payment in the sense of the national income accounts ?
- (A) Government family pension
 - (B) Public unemployment insurance benefits
 - (C) Dividends paid by corporations to stockholders
 - (D) Disability pensions paid from the social insurance system
20. An increase in the marginal propensity to consume will :
- (A) Lead to the consumption function becoming steeper.
 - (B) Shift the consumption function upwards.
 - (C) Shift the consumption function downwards.
 - (D) Shift the savings function upwards.
21. Speculative demand for money is a function of :
- (A) Income
 - (B) Interest rate
 - (C) Profit
 - (D) Investment
22. Stagflation is said to occur when the economy experiences :
- (A) Rising prices and rising output
 - (B) Rising prices and falling output
 - (C) Falling prices and falling output
 - (D) Falling prices and rising output
23. If the value of marginal propensity to consume is 0.75, the value of investment multiplier will be :
- (A) 8
 - (B) 7
 - (C) 6
 - (D) 4

24. Which one of the following is not a function of money ?
- (A) Makes demand and supply equal in the economy
 - (B) Store of value
 - (C) Medium of exchange
 - (D) Measure of value
25. Which of the following is a qualitative or selective method of credit control by the Central Bank ?
- (A) Variation in Bank rate or Discount Rate Policy
 - (B) Open market operations
 - (C) Variation in Cash Reserve Ratio
 - (D) Variation in margin requirements
26. What is Currency Deposit Ratio (CDR) ?
- (A) Ratio of money held by the public in currency to that of money held by them as bank deposits
 - (B) Ratio of money held by the public in bank deposits to that of money held by public in currency
 - (C) Ratio of money held in demand drafts to that of money held in treasury bonds
 - (D) Ratio of total currency in circulation to the total deposits held by the public
27. Phillips curve shows the relationship between the rate of :
- (A) Unemployment and output growth
 - (B) Unemployment and increase in money wages
 - (C) Employment and inflation
 - (D) Unemployment and the interest rate
28. In a simple Keynesian model :
- (A) $MPC + MPS = 1$
 - (B) $APC + APS = 1$
 - (C) Both (A) and (B)
 - (D) Neither (A) nor (B)
29. According to the Relative Income hypothesis, the proportion of the income consumed by a household depends on :
- (A) The level of its income
 - (B) The level of its income in relation to that of the households with which it identifies itself
 - (C) The level of its income in relation to the income in the past
 - (D) The level of its income in relation to its expected income in the future

30. According to the Acceleration principle, investment depends on change in the level of :
- (A) Rate of interest (B) Income
(C) Price level (D) Profit expectations
31. The monetary base is :
- (A) The sum of currency in circulation and commercial bank reserves.
(B) The sum of currency in circulation and the currency held by the Central Bank.
(C) The sum of gold and foreign exchange held by the Central Bank
(D) The sum of real assets of the banking sector plus its net worth.
32. Paradox of thrift suggests :
- (A) An increase in saving leading to an increase in economic growth
(B) An increase in saving leading to a decrease in economic growth
(C) An increase in saving having no impact on economic growth
(D) A decrease in saving leading to an increase in economic growth
33. If the economy is on the LM curve but not on the IS curve, then it implies that :
- (A) The goods market is in equilibrium, but not the money market.
(B) The money market and bond markets are in equilibrium, but not the goods market.
(C) The money market and goods market are in equilibrium, but not the bond market.
(D) The money, bond and goods markets are all in equilibrium.
34. The Mundell-Fleming model portrays the relationship between _____ exchange rate and economy's output.
- (A) Real (B) Nominal
(C) Fixed (D) Flexible
35. If there were a Balance of Payments deficit then in a floating exchange rate system :
- (A) The external value of the currency would tend to fall
(B) The external value of the currency would tend to rise
(C) The injections from trade are greater than the withdrawals
(D) Aggregate demand increases

36. What was the largest source of revenue for Britishers in India ?
- (A) Textile and Jute industry (B) Gems and stone industry
(C) Temple tax (D) Land revenue
37. Land reforms programme in India includes :
- (1) Elimination of intermediaries
(2) Determination of ceiling of holdings per family
(3) Use of insecticides and chemical fertilizers
(4) Consolidation of holdings
- (A) (1), (2) and (3) are correct (B) (2), (3) and (4) are correct
(C) (1), (2) and (4) are correct (D) (1), (3) and (4) are correct
38. Who made the first attempt to measure National Income of India before independence ?
- (A) Dada Bhai Naroji (B) Findlay Shirras
(C) V. K. R. V. Rao (D) K. N. Raj
39. Which year in India is known as the year of 'Demographic Divide' ?
- (A) 1911 (B) 1921
(C) 1971 (D) 1991
40. Demographic dividend refers to :
- (A) The benefit that an economy can get from a large population
(B) The economic growth potential that can result from a shift in a population's age structure in favour of working age population
(C) The economic growth potential that can result from a shift in a population's age structure in favour of children
(D) The structural change in a country's population.
41. First Education Policy in India was launched in the year :
- (A) 1958 (B) 1968
(C) 1986 (D) 1991

42. Which of the following statement(s) is/are correct about the NITI Aayog ?
- (I) The aim of NITI Aayog is to achieve Sustainable Development Goals and to enhance co-operative federalism in the country.
 - (II) Prime Minister of India is the ex-officio Chairperson of the NITI Aayog.
 - (III) There are eight full time members in the NITI Aayog.
- (A) Only (II) and (III)
 (B) Only (II)
 (C) All three
 (D) Only (I) and (II)
43. Which is the apex banking institution for providing finance for agriculture and rural development in India ?
- (A) RBI (B) NABARD
 (C) SEBI (D) SBI
44. Consider the following statements in the context of efficient agricultural marketing in India :
- (I) It optimizes resource use.
 - (II) It leads to growth of agro-based industries.
 - (III) It results in urban migration.
 - (IV) It widens the agricultural market.
- Which of the statement is incorrect?
- (A) (I) (B) (II)
 (C) (III) (D) (IV)
45. AYUSMAN BHARAT is a government of India Scheme related to :
- (A) Higher education
 (B) Poverty reduction
 (C) Health Insurance
 (D) Skill development / education of the youth
46. Find out the wrong statement about Odisha Economy :
- (A) The major contributor to Odisha's GSDP is the secondary sector.
 (B) Odisha is a model state for disaster management especially cyclone.
 (C) The main economic growth drivers of Odisha economy are crops, mining, trade, transport and social sectors.
 (D) There is a significant decline in IMR in Odisha during NFHS 4 and 5.

47. Who can avail the facilities under Prime Minister Mudra Yojana ?
- (A) Any Indian Citizen
 - (B) Any firm, body corporate, company, or any other entity incorporated in India
 - (C) Any firm abroad who wants to invest in India
 - (D) Both (A) and (B)
48. Which one of the following countries has emerged as India's largest trading partner in 2023-24 ?
- (A) US
 - (B) China
 - (C) UK
 - (D) United Arab Emirates
49. What is the contribution (approximately) of service sector to the GDP of India in the Financial Year 2023-24 ?
- (A) 55%
 - (B) 58%
 - (C) 61%
 - (D) 63%
50. Which one of the following was given a central place by Schumpeter in his theory of development ?
- (A) Role of capital accumulation
 - (B) Role of the Government
 - (C) Need for balanced growth
 - (D) Role of innovations
51. The Harrod-Domar growth model is based on the relationship between two economic variables. What are they ?
- (A) Raw materials and technology
 - (B) Savings and investment
 - (C) Educational enrolment and number of teachers
 - (D) Tariff and tax levels
52. If the income level falls for low-income workers, but remains unchanged for high-income workers, then :
- (A) Poverty will rise and inequality will fall.
 - (B) Poverty will fall and inequality will fall.
 - (C) Poverty will fall and inequality will rise.
 - (D) Poverty will rise and inequality will rise.

53. Dual economies are countries :
- (A) With capital and labour in equal proportion
 - (B) With a modern manufacturing sector as well as traditional agriculture sector.
 - (C) That specializes in labour-intensive products more than capital-intensive products.
 - (D) With foreign-owned and domestically-owned capital.
54. Rostow's economic stages are :
- (A) The preconditions for take-off, the take-off, the drive to maturity and the age of creative destruction.
 - (B) The traditional society, the preconditions for take-off, the take-off, the drive to maturity, and the age of high mass consumption.
 - (C) The preconditions for consumption, the replication, the drive to maturity and the age of high mass consumption.
 - (D) The learning curve, the age of high mass consumption, post-take-off and the drive to maturity.
55. Which of the following is not an indicator that is used to compute the Human Development Index ?
- (A) Life expectancy at birth
 - (B) Real GDP per capita
 - (C) Infant mortality rate
 - (D) Adult literacy rate
56. Which of the following features do not describe the 'Institutions' in an economy ?
- (A) Rules of the game
 - (B) Humanly devised
 - (C) Climatic conditions
 - (D) Shape human interactions
57. Terms of trade between agriculture and industry refers to the :
- (A) Ratio of value of agricultural output to the value of industrial output
 - (B) Ratio of agricultural prices to industrial prices, both measured as price indices.
 - (C) Ratio of value of agricultural exports to the value of industrial exports.
 - (D) Ratio of value of agricultural imports to the value of industrial imports.
58. Which of the following measures do not divide a set of observations into equal parts ?
- (A) Median
 - (B) Arithmetic mean
 - (C) Deciles
 - (D) Quartiles

59. Which of the following central tendencies is best suited for construction of index numbers ?
- (A) Arithmetic mean (B) Geometric mean
(C) Harmonic mean (D) Median
60. Which of the following is not a measure of dispersion ?
- (A) Range (B) Inter-quartile range
(C) Decile (D) Variance
61. Which of the following measures is not based on all items ?
- (A) Mode (B) Arithmetic mean
(C) Harmonic mean (D) Weighted arithmetic mean
62. A measure of dispersion is always :
- (A) Zero (B) Positive
(C) Negative (D) May be positive, may be negative
63. When the coefficient of correlation between two variables is equal to +1, the two lines of regression :
- (A) Are indeterminate
(B) Originate from the origin
(C) Coincide
(D) Will be perpendicular to each other
64. If total sum of square of deviations from the arithmetic mean is 192 and the sample standard deviation is 4, then total number of observations are :
- (A) 12 (B) 6
(C) 48 (D) 24
65. The probability of drawing a red queen from a well shuffled pack of cards is :
- (A) $1/52$ (B) $1/39$
(C) $1/26$ (D) $1/13$
66. Which of the following statement about a normal distribution is false ?
- (A) It is symmetric.
(B) It has two points of inflection.
(C) Mean < Median < Mode.
(D) The quartiles are equi-distant from the mean.

67. The components of a time series which reflects the long-term variations are known as :
- (A) Irregular trend (B) Cyclical trend
(C) Seasonal trend (D) Secular trend
68. If A and B are sets and $A \cup B = A \cap B$, then :
- (A) $A = \Phi$ (B) $B = \Phi$
(C) $A = B$ (D) $A \subseteq B$
69. The slope of the function is zero at :
- (A) $X = -5$ and $X = 2$ (B) $X = 5$ and $X = -2$
(C) $X = -\frac{3}{2}$ (D) $X = 5$ and $X = 2$
70. If $f(x) = g(x) + k$, where k is a constant, then :
- (A) $f'(x) = g'(x) + k$ (B) $f'(x) = g'(x)$
(C) $f'(x) = g'(x) + 2k$ (D) $f'(x) = k$
71. If you are aiming at maximising $f(x, y)$ subject to $g(x, y) = c$, the second order condition of maximisation is that the Bordered Hessian determinant should be :
- (A) Zero (B) Positive
(C) Negative (D) Infinite
72. If the average revenue function is given by $AR = 3q + 5$, where q is the level of output, the marginal revenue function is given by :
- (A) $3q + 5$ (B) $6q - 5$
(C) $3q^2 + 5q$ (D) $6q + 5$
73. For the demand and supply functions, $Q_d = 10 - P$, $Q_s = 3P - 2$, the equilibrium price and quantity are :
- (A) (7, 3) (B) (6, 4)
(C) (5, 5) (D) (3, 7)
74. The average cost function is given as $AC = \frac{1}{3}x^2 - 10x + 9$. The level of output at which average cost is equal to marginal cost is :
- (A) 18 (B) 12
(C) 15 (D) 21

75. The shape of the demand curve for which demand is unitary elastic is :
(A) A downward sloping straight line (B) A downward sloping curve
(C) A rectangular hyperbola (D) Right angled
76. The number of students enrolled in a class is a :
(A) Discrete variable (B) Continuous variable
(C) Qualitative variable (D) Constant
77. Which of the following is not a type of research ?
(A) Descriptive (B) Observational
(C) Explorative (D) Experimental
78. What should be sampling design if the population is heterogenous ?
(A) Simple random sampling (B) Stratified random sampling
(C) Cluster sampling (D) Quota sampling
79. Research is :
(A) Searching again and again
(B) Finding a solution to any problem
(C) Working in a scientific way to search for the truth of any problem
(D) For the purpose of earning a degree
80. Blue print of a research process is referred to as :
(A) Research Draft (B) Abstract
(C) Research Design (D) Research Layout



SPACE FOR ROUGH WORK

SEAL