



Doon University, Dehradun
Sample Paper
M.A. Economics

Name of the Candidate (in CAPITAL letters)			Signatures of Candidate	
Roll Number				Programme Name	
Examination Centre					
Date of Examination					
Name and Signature of Invigilator					

Time Allowed: 2 Hours

Maximum Marks: 150

INSTRUCTIONS FOR CANDIDATES

Candidates must read carefully the following instructions before attempting the Question Paper.

GENERAL

- (i) Write your name and Roll Number in the space provided for the purpose on the top of this Question Paper.
- (ii) Please do not make any stray marks on the question paper.
- (iii) Pages at the end have been provided for rough work.

INSTRUCTIONS FOR ANSWERING QUESTIONS

- (i) Answer all the 75 Questions.
- (ii) All questions are multiple choice or objective type
- (iii) The question paper has five sections:

Section A: Economics
Section B: Quantitative Methods
Section C: Reasoning
Section D: Comprehension
Section E: General Awareness

- (iv) Each question is of two marks. There will be no negative marking.
- (v) The Answer to each Question is to be indicated through tick mark (✓) on the appropriate choice. (i.e., a, b, c, d or e) in the question paper.
- (vi) Use only BLACK or BLUE ball point pen.

SECTION A: ECONOMICS

1. If the cross-elasticity of demand of X for changes in price of Y is positive, the commodities X and Y are

a. Substitutes	
b. Complements	
c. Inferior goods	
d. Giffen goods	

2. The shut-down point is the lowest point of the

a. Average cost curve	
b. Average variable cost curve	
c. Marginal Cost curve	
d. None of the above	

3. There are two markets with different elasticities of demand for a monopolist producer of a particular commodity. If e_1 and e_2 are the own price elasticities of demand in the two markets and $e_1 > e_2$, the prices p_1 and p_2 charged by him in the two markets will be such that

a. $p_1 = p_2$	
b. $p_1 > p_2$	
c. $p_1 < p_2$	
d. $p_1 p_2 = 1$	

4. Giffen goods are those goods

a. For which demand increases as price increases	
b. Which have a high income elasticity of demand	
c. Which are in very short supply	
d. None of these	

5. Marginal Utility has no place in ordinal theory because it is

a. Introspective	
b. Subjective	
c. Not observable	
d. Additive	

6. When planned savings equal $(\text{₹}) -40 + 0.20 Y$ and planned investment is $\text{₹} 60$ the equilibrium level of income is

a. $\text{₹} 100$	
b. $\text{₹} 400$	
c. $\text{₹} 500$	
d. $\text{₹} 1000$	

7. Say's law of market provides the basis of

a. Classical theory of full employment	
b. Keynesian theory of under-employment	
c. Malthusian theory of over-production	
d. Marxian theory of exploitation	

8. The term 'hot money' is used to refer to

a. Currency + Reserves with the RBI	
b. Net GDR receipts	
c. Net Foreign Direct investment	
d. Foreign Portfolio Investment	

9. Human Development Index developed by UNDP has three components given by

a. Per capita income, work participation rate and gender inequality	
b. PPP index of GNP, work participation rate, and infant mortality rate	
c. PPP index of GNP, infant mortality rate and sex ratio	
d. Per capita income, adult literacy rate and expectation of life at birth	

10. The speculative demand for money depends on

a. Interest rate	
b. Income	
c. Profit	
d. Output	

11. An increase in money supply leads to

a. Rightward shift of IS curve	
b. Leftward shift of IS curve	
c. Leftward shift of LM curve	
d. Rightward shift of LM curve	

12. Which of the following is a transfer payment?

a. Payment made to housewife	
b. Pocket allowance to children	
c. Maintenance allowance to old parents	
d. All of the above	

13. Who among the following economists, was

the first to mention effective demand as a determinant of the level of economic activity

a. D. Ricardo	
b. T.R. Malthus	
c. A. Marshall	
d.) J.M. Keynes	

14. When income falls, what happens to the liquidity preference curve?

a. It does not shift	
b. It shifts to the left	
c. It shifts to the right	
d. It becomes parallel to the vertical axis	

15. Stagflation refers to a situation which is characterised by

a. Deflation and rising unemployment	
b. Inflation and rising employment	
c. Inflation and rising unemployment	
d. Stagnant employment and deflation	

16. Which of the following is an obstacle to economic development?

a. Low rate of capital formation	
b. Vicious circle of poverty	
c. Socio cultural barriers	
d. All of the above	

17. An underdeveloped economy is generally characterised by a

a. High ratio of commercial farming to subsistence farming	
b. High ratio of industrial output to total output	
c. High utilization of existing capital in the economy	
d. Coexistence of underutilised labour with unexploited national and other resources	

18. The best indicator of economic development is

a. Rising savings	
b. Rising investment	
c. Rising capital-output ratio	
d. Rising levels of living	

19. Capital deepening means

a. Using larger amount of labour as compared to capital	
b. Using more of the same type of capital due to increase number of workers	
c. Increase in capital per worker in already existing production	
d. Using more of human capital	

20. Foreign aid is needed to

a. Supplement the domestic savings of developed nations	
b. Assure the capital imports needed for development	
c. Prevent the absolute gap between rich and poor nations from widening further	
d. All of the above	

21. The second Five year plan of India was based on Mahalanobis Model. It is considered as Sector economy

a. One	
b. Two	
c. Four	
d. None of the above	

22. When gross investment is positive, net investment

a. Is the highest	
b. is zero	
c. is positive	
d. can be either positive or negative	

23. Which of the following is **NOT** a source of the state tax revenue?\

a. Land revenue	
b. Motor vehicles tax	
c. Entertainment tax	
d. Corporate tax	

24. Tobin tax is a tax on

a. Exports	
b. imports	
c. transactions in foreign exchange	
d. sales	

25. Zero-Based Budgeting (ZBB) lays emphasis on

1. Unlimited deficit financing
2. Preparing new budget right from the scratch
3. Preparing the budget neglecting history of expenditure

a. 1, 2 and 3	
b. 1 and 3	
c. 2 and 3	
d. 1 and 2	

26. India's Fiscal Policy since independence has centred around

a. More borrowings	
b. Higher taxation	
c. Deficit financing	
d. All the three	

27. Which of the following come under Non-Plan expenditure

1. Subsidies
2. Interest payments
3. Defence expenditure

4. Maintenance expenditure for the infrastructure created previous plans

a. 1 and 2	
b. 1 and 3	
c. 2 and 4	
d. 1, 2, 3 and 4	

28. For a closed economy having no foreign trade which one of the following is correct?

a. $GDP=GNP$	
b. $GDP>GNP$	
c. $GDP<GNP$	
d. None of these	

29. Under which of the following conditions will there be the possibility of trade between two countries whose factor endowments are identical?

a. When there are differences in tastes and preferences of the consumers in the two countries	
b. When there are differences in commodity prices in the two countries	
c. When cost of production of different commodities differs between the two countries	
d. When production functions of the same goods are identical in the two countries	

30. Which one of the following items is **NOT** included in the current account of India's balance of payments?

a. Short-term commercial borrowings	
b. Non-monetary gold improvements	
c. Investment income	
d. Transfer payments	

SECTION B: QUANTITATIVE METHODS

31. Let's suppose we are predicting score on a training posttest from number of years of education and the score on an aptitude test given before training. Here is the regression equation

$Y = 25 + .5X_1 + 10X_2$, where X_1 = years of education and X_2 = aptitude test score. What is the predicted score for someone with 10 years of education and a aptitude test score of 5?

a. 25	
b. 50	
c. 35	
d. 80	

32. Which of the following is the formula for range?

a. $H + L$	
b. $L \times H$	
c. $L - H$	
d. $H - L$	

33. Given the following data set, what is the value of the median? [2 4 3 6 1 8 9 2 5 7]

a. 2	
b. 4.7	
c. 4.5	
d. 10	

34. The algebraic sum of deviation from population mean is:

a. Maximum	
b. Zero	
c. Minimum	
d. Undefined	

35. If y is expressed in terms of a variable x as $Y = f(x)$, then y is called

a. explicit function	
b. implicit function	
c. linear function	
d. identity function	

36. If $x^4 - 3x + 5$ is divided by $2x - 1$, then the remainder is

a. $\frac{35}{16}$	
b. $-\frac{35}{16}$	
c. -9	
d. 3	

37. XYZ Inc. produces two types of paper towels, called regular and super-soaker. Marketing has imposed a constraint that the total monthly production of regular should be no more than twice the monthly production of super-soakers. Letting X_1 be the number of units of regular produced per month and X_2 represent the number of units of super-soaker produced per month, the appropriate constraint/s will be

a. $X_1 \leq 2X_2$	
b. $2X_1 \leq X_2$	
c. $X_1 \leq 0.5X_2$	
d. $X_1 - X_2 \leq 0$	

38. At what value of q is the concavity of $w(q) = -2$, if $w(q) = q^4 - 16$?

a. At $q =$ fourth root of 14.	
b. At $q = 0$	
c. Never; $w(q)$ is always concave down	
d. Never; $w(q)$ is always concave up	

39. The point having position vectors $2i + 3j + 4k$, $3i + 4j + 2k$, $4i + 2j + 3k$ are the vertices of

a. Right angled triangle	
b. Equilateral triangle	
c. Isosceles triangle	
d. Collinear	

40. Sum of all interior angles of a polygon with (n) sides is given by

a. $(n - 2) \times 180^\circ$	
b. $n - 2 \times 180^\circ$	
c. $(n + 2) \times 180^\circ$	
d. $n + 2 \times 180^\circ$	

SECTION C: REASONING

41. 'Doctor' is related to 'Stethoscope' in the same way as 'Painter' is related to

a. Painting	
b. Brush	
c. Exhibition	
d. Art	

42. Ram went 15km to the west from his house, then turned left and walked 20km he again turned East and walked 25km and finally turned left and covered 20km, how far is he now from his house?

a. 15km	
b. 20km	
c. 25km	
d. 10km	

43. In a given code, **SISTER** is coded as **535301**. **UNCLE** as **84670** and **BOY** as **129**. How is **RUSTIC** written in that code?

a. 633185	
b. 185336	
c. 363815	
d. 561363	

44. Which number replaces the question mark?

4	3	7
6	4	2
9	?	3

a. 9	
b. 7	
c. 6	
d. 1	

45. Penology : Punishment : : Seismology: ?

a. Law	
b. Liver	
c. Earthquakes	
d. Medicines	

46. Which number will you replace in blank space(?).

16	25	?	43
256	625	1156	1849

a. 34	
b. 37	
c. 36	
d. 35	

47. If Z= 52 and ACT=48, then BAT will be equal to:

a. 39	
b. 41	
c. 44	
d. 46	

48. YEB, WFD, UHG, SKI, ?

a. QOL	
b. QGL	
c. TOL	
d. QNL	

49. Four men A, B, C and D and four women W, X, Y and Z are sitting around a table facing each other.

1. No two men and women are sitting together.
2. W is to the right of B.
3. Y is facing X and is to the left of A.
4. C is to the right of Z. Who are the two persons sitting adjacent to D?

a. W and Y	
b. X and W	
c. X and Z	
d. W and Z	

50. 134, 245, 356, 467, ?

a. 579	
b. 578	
c. 568	
d. 478	

SECTION D; COMPREHENSION

1. The Toy Museum This museum is in the centre of the town, a few metres from the cathedral, and near the market. It contains dolls, dolls' houses, books, games and pastimes, mechanical and constructional toys. In this collection there are toys made by all sorts of toy manufacturers from the most important to the smallest, including the most ordinary toys and the most precious. There are also records of children's pastimes over the last hundred and fifty years. Most major manufacturing countries of Europe had toy industries in the last century; French and German factories produced millions of toys each year. Many collectors of toys think that the second half of the nineteenth century was the best period for toy production and the museum has many examples of toys from this period which are still in perfect condition. There is now a growing interest in the toys of the 1920s and 1930s and as a result of this the museum has begun to build up a collection from these years. Visitors to the museum will find that someone is always available to answer questions - we hope you will visit us. Hours of opening 10.00-17.30 every day (except December 25 and 26)

51. This writing is from ...

a. An advertisement.	
b. A school history book.	
c. A storybook.	
d. None of the above	

52. What is the writer trying to do?

a. To give advice.	
b. To give opinions.	
c. To give information.	
d. None of the above	

53. The museum has so many toys from the late 19th century because ...

a. It is located in the middle of town	
b. Many consider this period the best for manufactured toys	
c. Visitors are interested in toys from that time	
d. None of the above	

54. What period of toy manufacturing is receiving increased attention?

a. Every day except in December	
b. The 1920s and 1930s.	
c. The 20th century.	
d. None of the above	

55. Which of the following advertisements would you find outside the Toy Museum?

a. Toys of Ancient Civilizations	
b. BEFORE TV! - a special exhibition of indoor games from 1890 to 1940	
c. How Children Dressed 1600 - 1900 "Clothes for all Ages"	
d. None of the above	

2. At this stage of civilisation, when many nations are brought in to close and vital contact for good and evil, it is essential, as never before, that their gross ignorance of one another should be diminished, that they should begin to understand a little of one another's historical experience and resulting mentality. It is the fault of the English to expect the people of other countries to react as they do, to political and international situations. Our genuine goodwill and good intentions are often brought to nothing, because we expect other people to be like us. This would be corrected if we knew the history, not necessarily in detail but in broad outlines, of the social and political conditions which have given to each nation its present character.

56. According to the author of 'Mentality' of a nation is mainly product of its ...

a. Present character	
b. International position	
c. History	

57. The character of a nation is the result of its...

a. Gross ignorance	
b. Cultural heritage	
c. Socio-Political conditions	

58. The need for a greater understanding between nations..

a. Is more today than ever before	
b. Was always there	
c. Is no longer there	

59. Englishmen like others to react to political situations like..

a. Others	
b. Us	
c. Themselves	

60. According to the author his countrymen should..

a. Read the story of other nations	
b. Not reacts to other actions	
c. Have a better understanding of other nations	

Reason (R) : The population of the world has been growing significantly.

a. (A) is correct, (R) is correct and (R) is the correct explanation of (A).	
b. (A) is correct, (R) is correct and (R) is not the correct explanation of (A).	
c. (A) is correct, but (R) is false. (D) (A) is false, but (R) is correct.	
d. none of the above.	

65. Which operations are performed by RAM ?

a. Read	
b. Write	
c. Read and Write	
d. Depends on computer	

66. Who has originated the terms micro and macro economics

a. Peter Drucker	
b. Adam	
c. Keynes	
d. Ragnar Frisch	

SECTION E: GENERAL AWARENESS

61. Which method is used to control pollutants of particulate nature ?

a. Combustion	
b. Absorption	
c. Electrostatic precipitators	
d. Oxidation pond	

62. RBI was established in ...

a. 1 august 1935	
b. 1 April 1935	
c. 25 July 1935	
d. 11 December 1935	

63. BOD is _____ in polluted water and _____ in potable water.

a. More than 1, less than 1	
b. Less, medium	
c. Medium, more	
d. Less than 1, more than 1	

64. Assertion (A) : In the world as a whole, the environment has degraded during past several decades.

67. Autarky refers to a country

a. With an authoritarian government	
b. Which is self-sufficient, and is a closed economy	
c. Which has free trade with the rest of the world	
d. None of the above	

68. At present India has fully convertibility of rupee on..

a. Current account	
b. Capital account	
c. both	
d. None.	

69. Who heads the panel to review and revitalise public private partnership (PPP) mode of infrastructure development in India?

a.	K Narayanmurthy	
b.	S S Saxena	
c.	Bimal Jalan	
d.	Vijay Kelkar	

70. Noble prize 2014 in economics won by?

a.	Jean Tirole	
b.	R. Ware	
c.	John Nash	
d.	S. C. Bose	

71. Which of the following is not an asset of a bank?

a.	Notes and small coins	
b.	Overdue recurring deposits	
c.	Short term loans	
d.	Staff advances	

72. Which of the following is not the function of commercial banks?

a.	Providing transaction services	
b.	Intermediation in financial services	
c.	Providing transformation services	
d.	Regulating the issue of bank notes	

73. What was the theme of the Commonwealth Summit 2013?

a.	Growth with Equity	
b.	Growth with Structural Reforms	
c.	Structural Reforms for Development	
d.	Inclusive Growth and International Cooperation	

74. Which of the following is a credit rating agency in India

a.	SEBI	
b.	CRISIL	
c.	PFRDA	
d.	NSE	

75. Which of the following rate is not decided by the Ministry of Finance?

a.	Reverse Repo Rate	
b.	Property Tax Rate	
c.	Income Tax Rate	
d.	Subsidy for LP gas	