

Ph.D. ENTRANCE EXAMINATION, APRIL 2022

ECONOMICS

Time : Two Hours

Maximum : 100 Marks

Part A

*Answer all questions.**Each question carries 2 marks.*

1. The situation where one party to a transaction has more information on the quality of the service offered for sale than the other party.
 - a) Adverse selection.
 - b) Asymmetric information.
 - c) Information superhighway.
 - d) None of these.
2. The production contract curve is associated with :
 - a) Transformation curve.
 - b) Utility curve.
 - c) Indifference curve.
 - d) Consumption curve.
3. Which of the following is not correct if the firm is a perfect competitor in the product market ?
 - a) The firm can sell any quantity of the commodity at the given market price.
 - b) The firm can't sell any quantity of the commodity at a given price.
 - c) An infinitely elastic demand curve for the commodity
 - d) Both a) and c) are possible
4. A form of tacit collusion in which oligopolists decide to set the same price as the leader of the industry.
 - a) Oligopoly.
 - b) Monopolistic competition.
 - c) Market sharing cartel.
 - d) Price leadership.
5. The market demand for a commodity is $QD = 140 - 20px$ and the market supply is $QS = 40 + 20Px$, then find the equilibrium price and quantity :
 - a) 2.5 and 140.
 - b) 3 and 90.
 - c) 3 and 140.
 - d) 2.5 and 90.
6. The short-run response to an anticipated expansionary policy in the new classical model includes :
 - a) A temporary increase in both aggregate output and the price level.
 - b) An increase in the price level, but no change in aggregate output.
 - c) An increase in the aggregate output, but no change in the price level.
 - d) A temporary decrease in both aggregate output and the price level.

Turn over

7. On which of the following do Keynesians agree :
- a) The demand for money is interest elastic.
 - b) The demand for money is interest inelastic.
 - c) The wages are not very flexible.
 - d) None of these.
8. _____ distinguishes real economy and monetary economy.
- a) Microeconomics.
 - b) International Economics.
 - c) Monetary Economics.
 - d) Macroeconomics.
9. Keynesians prefer a positive shocks by :
- a) By pursuing an expansionary policy.
 - b) Lower taxes.
 - c) Always close to the long run aggregate supply curve.
 - d) None of these.
10. A family has two children. What is the probability that both the children are boys given that at least one of them is a boy ?
- a) $\frac{1}{2}$.
 - b) $\frac{1}{3}$.
 - c) $\frac{1}{4}$.
 - d) $\frac{4}{3}$.
11. The situation of absence of international trade is called :
- a) Globalization.
 - b) Autarky.
 - c) Free trade.
 - d) Comparative disadvantage.
12. The production function exhibiting a unitary elasticity of substitution between labour and capital :
- a) Cobb -Douglas production function.
 - b) Constant returns to scale.
 - c) CES production function.
 - d) None of these.
13. An increase in the domestic currency price of the foreign currency :
- a) Devaluation.
 - b) Depreciation.
 - c) Exchange rate manipulation.
 - d) None of these.
14. The reduction in each firm's average costs of production as the entire industry output expands :
- a) Disadvantage of large scale production.
 - b) Economies of scale.
 - c) Extend of market.
 - d) None of these.

15. All taxes come under :
- a) Capital receipt.
 - b) Revenue receipt.
 - c) Public expenditure.
 - d) Public liability.
16. The average propensity to consume in a country is 0.75 and the marginal propensity to consumers 0.8. What is the value of the multiplier ?
- a) 4.
 - b) 5.
 - c) 2.
 - d) 8.
17. ————— Act aims to introduce transparency in India's fiscal management systems.
- a) SEBI.
 - b) RBI.
 - c) SBI.
 - d) FRBM.
18. The term heteroscedasticity means :
- a) The variance of errors have non-zero mean.
 - b) The variance of the dependant variable is not constant.
 - c) The variance of the error is not constant.
 - d) None of these.
19. BLUE is :
- a) Best Longrun Unbiased Estimator.
 - b) Best Longrun Unconditional Estimator.
 - c) Best Linear Unbiased Estimator.
 - d) Best Linear Unbiased Econometrics.
20. Probability of occurrence of an event lies between :
- a) 1 and zero.
 - b) - 1 and +1.
 - c) - 100 to +100.
 - d) 100 to zero.
21. Malthus's theory was that population :
- a) Increased proportionally to economic growth.
 - b) Increased geometrically, outstripping food supply, which grew arithmetically
 - c) Increased stagnantly with food supply and economic development
 - d) Increased disproportionately, surpassing agricultural production.
22. The Benefit Principle of taxation states that tax should be paid in proportion to :
- a) Income.
 - b) Utility.
 - c) Benefit.
 - d) Expenditure.

23. Which of the following is not associated with the Montreal protocol ?
- It includes both production and consumption of ozone layer depletion.
 - It is a global agreement to protect ozone layer.
 - The parties of the protocol meet annually to review the execution of operation.
 - It was signed in 1989 and enacted in 1992.
24. In India GST is a _____ based tax on consumption of goods and services.
- Dividend.
 - Modvat.
 - Destination.
 - Final point.
25. The Indian economy experienced _____ economic growth during and after the pandemic
- V-shaped.
 - U-shaped.
 - L-shaped.
 - W-shaped.

(25 × 2 = 50 marks)

Part B

*Answer any six of the following.
Each question carries 5 marks.*

- What are the application of derivatives in Economics.
- Discuss the major policy changes in agriculture since reforms in India.
- Write a short note on Rawls's theory of justice.
- Distinguish between null and alternative hypothesis.
- Briefly explain Intra-industry trade.
- What do you mean by Zero based budgeting.
- Explain the properties of estimates-BLUE.

(6 × 5 = 30 marks)

Part C

*Answer any two of the following.
Each question carries 10 marks.*

- Analyse the Quantity Theory Approaches to the financing of economic development.
- Distinguish between qualitative and quantitative data with applications.
- Discuss the programmes and policies implemented by India for achieving SDGs.
- Explain the different steps in writing a research report.

(2 × 10 = 20 marks)