

UGC-NET/JRF Examination, 2012

(Held in June 2012)

Economics

Paper-II

Directions—(Q1-10) Read the following question and find correct answer from the choices given below these questions—

Directions—(Q.11-20) Read the following questions and find out correct answer from the codes given below these questions—

Directions-(Q.21-30) Read the following question and given Assertions with their Reasoning and find correct answer from the codes given below these question—

Directions—(Q.31—40) Read the following question and the find the correct sequence form the code given below these question—

1. Marginal Revenue of a Monopoly firm is less than the price. Because—
 - A. Demand curve has a positive slope
 - B. Demand curve has a negative slope**
 - C. Monopolist incurs losses
 - D. Monopolist is in equilibrium

2. For an inferior goods, income consumption curve and Engles curves are—
 - A. Positively sloped
 - B. Negatively sloped**
 - C. The same
 - D. Income consumption curve positively sloped and the Engles curve is negatively sloped

3. The classical economics focused on the role of money as—
 - A. Medium of exchange**
 - B. Medium of distribution
 - C. Wealth
 - D. Link between present and future

4. If the demand for money is perfectly interest inelastic, the LM schedule will be—
 - A. Upward sloping

- B. Downward sloping
- C. Horizontal line
- D. Vertical line**

5. Harrod-Domar model of economic growth is based on the equilibrium between—

- A. Income generation and productive capacity creation
- B. Equilibrium between income and consumption
- C. Equilibrium between savings and investment**
- D. None of the above

6. In calculating the buoyancy of a tax, we consider—

- A. Only discretionary changes
- B. Only automatic change
- C. Both (A) and (B)**
- D. Neither (A) nor (B)

7. Which of the following measures of the central tendency suits the data best if the objective is to assess the distribution of values?

- A. Arithmetic mean
- B. Mode
- C. Median
- D. Kurtosis**

8. Comparative cost advantage in Ricardo's international trade theory arises due to—

- A. Labour cost differences**
- B. Differences in factor endowment
- C. Factor abundance defined in terms of factor prices
- D. All of the above

9. In India, in 2004-05 the number of poor persons below poverty line was the highest in the State of—

- A. Bihar**
- B. Uttar Pradesh
- C. Madhya Pradesh
- D. Rajasthan

10. Which of the following is not a component of Bharat Nirman?

- A. Rural housing
- B. Rural electrification
- C. Agro-based industries**
- D. Rural telephony

11. A point of 'Kink' in the kinked demand curve indicates—

- A. Price rigidity
- B. Quantity rigidity
- C. Price flexibility
- D. Quantity flexibility

Codes:

- 1. I and II are correct**
- 2. II and III are correct
- 3. III and IV are correct
- 4. I and IV are correct

12. Improvement in the BOP deficit may be effected through—

- A. Import control
- B. Export promotion
- C. Foreign exchange control
- D. Devaluation

Codes:

- 1. I and II are correct
- 2. I, II, III and IV are correct**
- 3. II and III are correct
- 4. I, II and III are correct

13. The Problem relating to burden of public debt has been dealt by—

- A. A.P. Learner
- B. E.D. Domar
- C. A.C. Pigou
- D. A.H. Henson

Codes:

- 1. I and II are correct
- 2. II and III are correct**
- 3. I and IV are correct

4. II and IV are correct

14. Fiscal policy relates to the Government decision in respect of—

- A. Taxation
- B. Government spending
- C. Government borrowing
- D. Public Debt

Codes:

- 1. III and IV are correct
- 2. II, III and IV are correct
- 3. I and II are correct
- 4. **All the above are correct**

15. HDI is entrusted with reference to-

- A. Life expectancy at birth
- B. Real GDP/per capita
- C. Infant mortality
- D. Morbidity

Codes:

- 1. **I and II are correct**
- 2. II and III are correct
- 3. III and IV are correct
- 4. All the above are correct

16. The doctrine of unbalanced growth was propounded by—

- A. Hirschman
- B. Robert Solow
- C. Singer
- D. Ranger Nurkse

Codes:

- 1. I and II are correct
- 2. II and III are correct
- 3. III and IV are correct
- 4. **I and III are correct**

17. Harrod-Domar model of economic growth is based upon—

- A. Warranted growth rate
- B. Investment growth rate
- C. Productivity growth rate
- D. Natural growth rate

Codes:

- 1. I and II are correct
- 2. II and III are correct**
- 3. III and IV are correct
- 4. I and IV are correct

18. In Keynesian system speculative demand for money arises because of—

- A. Uncertainty of future interest rates
- B. Unexpected expenditures
- C. To bridge the gap between income and eventual expenditure
- D. Relationship between changes in the interest rates and bond prices

Codes:

- 1. I and III are correct
- 2. I and IV are correct**
- 3. II and III are correct
- 4. III and IV are correct

19. According to Milton Friedman Theory of permanent component of consumption-expenditure depends on—

- A. Transitory income alone
- B. Transitory and permanent income
- C. Permanent income alone
- D. Windfall gains

Codes:

- 1. I and II are correct
- 2. I and III are correct
- 3. II and IV are correct**
- 4. Only III is correct

20. The Planning Commission of India has recently made announcement regarding Poverty Line—

- A. Rs42 per capita per day in urban area
- B. Rs26 per capita per day in rural area

C. Rs32 per capita per day in urban area

D. Rs32 per capita per day in rural area

Codes:

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

21. Assertion (A): Giffin's paradox rarely occurs in the real world.

Reason (R): Inferior goods are narrowly defined for which suitable substitutes are available.

Codes:

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

22. Assertion (A): According to the Life Cycle Theory of consumption, an individual level of consumption depends not just on current but also on long run expected earnings.

Reason (R): Individuals are assumed to plan a pattern of expenditure based on expected earning over life time.

Codes:

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

23. Assertion (A): Effective demand can be increased by more equitable distribution of wealth.

Reason (R): Thirty of forty entities with income averaging between 1 Lakh and 5 Lakh would create much more effective demand than a single entity having income of 10 lakhs a year.

Codes:

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

24. Assertion (A): During the period 2004-05 to 2007-08 fiscal consolidation process was witnessed in India.

Reason (R): There was buoyancy in tax revenue during this period.

Codes:

- A. **Both (A) and (R) are correct and (R) is the correct explanation of (A)**
- B. Both (A) and (R) are correct and (R) is not the correct explanation of (A)
- C. (A) is correct, but (R) is incorrect
- D. (A) is incorrect, but (R) is correct

25. Assertion (A): K/L ratio will adjust through time in the direction of equilibrium ratio.

Reason (R): Because the technical coefficient of production are variable

Codes:

- A. **Both (A) and (R) are correct and (R) is not the correct explanation of (A)**
- B. Both (A) and (R) are correct and (R) is the correct explanation of (A)
- C. (A) is correct, but (R) is incorrect
- D. (A) is incorrect, but (R) is correct

26. Assertion (A): Financial inclusion is desirable to help weaker sections of society in the country.

Reason (R): Investment activity needs to be promoted to facilitate access to development benefits to masses.

Codes:

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

27. Assertion (A): Stationary state is the end of the process of capital formation.

Reason (R): Scarcity of natural resources as also capital leads the economy to the stationary state.

Codes:

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

28. Assertion (A): Investment has also a supply effect.

Reason (R): Because it raises capacity to produce.

Codes:

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

29. Assertion (A): Gold standard was finally given up after the Second World War.

Reason (R): Countries had different rates of inflation.

Codes:

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

30. Assertion (A): Disguised unemployment is present in Indian agriculture.

Reason (R): Marginal productivity of agriculture is close to zero.

Codes:

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

31. Arrange the following in chronological order—

- 1. CES production function
- 2. Cobb-Douglas production function
- 3. Translog production function
- 4. The law of variable proportions

Codes:

- A. III, I, IV, II
- B. I, IV, II, III
- C. IV, II, I, III
- D. II, III, I, IV**

32. Consider the following schemes—

- 1. EAS
- 2. TRYSEM

3. JRY
4. RLEGP

The correct chronological sequence of the launching of these schemes are-

Codes:

- A. II, IV, I, III
- B. IV, II, III, I
- C. IV, III, I, II
- D. II, IV, III, I**

33. Arrange the origin of money in a sequential order—

1. Cheque
2. Metallic money
3. Commodity money
4. Paper money

Codes:

- A. IV, I, III, II
- B. I, III, II, IV
- C. III, II, IV, I**
- D. II, IV, I, III

34. Arrange the following theories in the chronological order—

1. Restatement of Quantity Theory
2. Income Theory
3. Quantity Theory
4. Cash Balance Approach

Select the correct answer from the given codes—

Codes:

- A. IV, I, III, II
- B. I, III, II, IV
- C. III, II, IV, I
- D. II, IV, I, III**

35. Identify the correct chronological order of the following classical economists—

- A. Adam Smith, Malthus Ricardo, J.S. Mill**
- B. Adam Smith, Ricardo, Malthus, J.S. Mill

- C. Adam Smith, J.S. Mill, Ricardo, Malthus
- D. Adam Smith, Malthus, J.S. Mill, Ricardo

36. The Sequencing process of Schumpeter modal of development is—
- A. Swarm like Clusters, Innovation, Bank credit, Breaking circular flow
 - B. Breaking circular flow, Innovation, Bank like Clusters**
 - C. Innovation, Bank credit, Breaking circular flow, Swarm like Clusters
 - D. Bank credit, Innovation, Swarm like Clusters, Breaking circular flow

37. Arrange the following theories in order in which they appeared—
- 1. Comparative Cost Advantage Theory
 - 2. Absolute Cost Advantage Theory
 - 3. Leontief Paradox
 - 4. Factor Endowment Theory

Codes:

- A. I, III, II, IV
- B. II, III, IV, I
- C. II, I, IV, III**
- D. I, IV, II, III

38. Arrange the stages of economic growth in a sequential order—
- 1. The age of high mass consumption
 - 2. The traditional society
 - 3. The take-off stage
 - 4. The drive to maturity

Codes:

- A. I, III, IV, II
- B. II, IV, I, III
- C. III, I, II, IV
- D. II, III, IV, I**

39. Identify the sequence of implementation of the following taxes.
Select the correct answer from the given codes—

- 1. Land Revenue
- 2. Sales tax
- 3. MODVAT

4. Service tax

Codes:

- A. I, II, III, IV
- B. II, IV, I, III
- C. III, II, IV, I
- D. IV, II, I, III

40. Identify the correct chronology of the following—

- 1. Fisher's test of significance difference between means of three or more samples
- 2. Kendal's partial rank correlation
- 3. Gosset's T test of significance between means of two samples
- 4. X^2 test of goodness of fit of the curve and randomness of the sample values.

Codes:

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

www.onlineGKguide.com