

Section 3: Indian Economy

- Q.73 The curve joining all points representing bundles of goods, that are considered indifferently by a consumer is referred to as
- [A] Indifference curve [B] Demand curve
[C] Supply curve [D] None of the above
- Q.74 The monotonicity of preferences implies that indifference curves are _____ sloping.
- [A] Upward [B] Downward
[C] Either Upward or Downward [D] Both Upward or Downward
- Q.75 The demand curve is $d(p) = a - bp; 0 \leq p \leq \frac{a}{b}$
 $= 0$; $p > \frac{a}{b}$
 where a is the vertical intercept $-b$ is the slope of the demand curve. At price 0, the demand is a , then at price equal to a/b , the demand will be _____.
- [A] $a - b$ [B] a/b [C] 0 [D] b/a
- Q.76 If the Total Fixed Cost (TFC) of production is Rs. 1000 and the Average Fixed Cost (AFC) is Rs. 200, how many products will be produced?
- [A] 0 [B] 5 [C] 800 [D] 1200
- Q.77 Short-run Marginal Cost (SMC) curve cuts the Average Variable Cost (AVC) curve from _____ at _____ point of AVC.
- [A] above; maximum [B] below; maximum
[C] above; minimum [D] below; minimum
- Q.78 If the Total Revenue (TR) of a firm is Rs. 500 and the firm produces 50 units of output, what will be the Average Revenue (AR)?
- [A] Rs. 25000 [B] Rs. 450 [C] Rs. 10 [D] Rs. 0.10
- Q.79 The National Wastelands Development Board (NWDB) was set up in _____ to convert 5 million hectares of wastelands per year into fuel wood and fodder plantations.
- [A] 1952 [B] 1956 [C] 1985 [D] 1988
- Q.80 Which of the following variables is NOT used in calculating the Human Poverty Index (HPI)?
- [A] Probability at birth not surviving to age 60
[B] Percentage of adults lacking functional literacy
[C] Percentage of people living below poverty line
[D] Long-term employment rate

- Q.81 India's population as per the 2001 Census is _____.
[A] 2010 million [B] 1800 million [C] 1200 million [D] 1028 million
- Q.82 Author of *The General Theory of Employment, Interest and Money* is _____.
[A] John Maynard Keynes [B] Adam Smith
[C] N.G. Mankiw [D] S. Fischer
- Q.83 If $(S - I) + (T - G) = (X - M)$, where S= Aggregate Saving, I= Investment Expenditure, T= Tax revenue, G= Government Expenditure, X= Export and M= Import, what is represented by $(X - M)$?
[A] Budget deficit [B] Fiscal deficit
[C] Monetary deficit [D] Net export
- Q.84 If the currency held by the public is Rs. 1000 and the demand deposits is Rs. 500, calculate the Currency Deposit Ratio (CDR).
[A] 2 [B] 500 [C] 750 [D] 1500
- Q.85 If the Marginal Propensity to Consume (MPC) is 0.5, what will be the output multiplier?
[A] 0.5 [B] 2 [C] 0.25 [D] 2.5
- Q.86 "In the face of high deficits, people save more". This view is known as _____.
[A] Smith Equivalence [B] Ricardian Equivalence
[C] Dornbusch Equivalence [D] Sen Equivalence
- Q.87 _____ was the Chairman of the National Commission on Enterprises in the unorganized/informal sector of 2004.
[A] Arjun Sen Gupta [B] C. Rangarajan
[C] Manmohan Singh [D] Raghuram Rajan
- Q.88 Which of the following countries is NOT part of "EFTA" ?
[A] Austria [B] Italy [C] Norway [D] Portugal
- Q.89 A function $y = f(x)$ is a non-decreasing function, if the value of y does not _____ with _____ in the value of x. Fill in the blanks with the correct answers from the given options.
[A] increase; increase [B] decrease; decrease
[C] decrease; increase [D] None of the above
- Q.90 Both Long-Run Average Cost (LRAC) and Long-Run Marginal Cost (LRMC) are _____ shaped.
[A] L [B] Z [C] J [D] U