

**M.A.(Economics) Programme**

**Model Question paper**

**Marks: 75**

**TIME: 2 hours**

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**SAMPLE QUESTIONS**

**SECTION A**

**(25x1 = 25 Marks)**

**Objective Type Questions**

1. For inferior commodities, income effect is
  - (A) Zero
  - (B) Negative
  - (C) Infinite
  - (D) Positive
  - (E) One
2. Consumers are likely to get a variety of goods under
  - (A) Perfect competition
  - (B) Monopoly
  - (C) Imperfect competition
  - (D) Oligopoly
  - (E) Duopoly
3. Gross National Product is
  - (A) The total output of goods and services produced by the country's economy
  - (B) The total domestic and foreign output claimed by residents of the country
  - (C) The sum of gross domestic product and investment
  - (D) National income minus national expenditure
  - (E) None of the above
4. Bank rate means
  - (A) Interest rate charged by moneylenders
  - (B) Interest rate charged by scheduled banks
  - (C) Rate of profit of the banking institution
  - (D) The official rate of interest charged by the central bank of the country
  - (E) Open market operations
5. Cannon of equity in taxation is generally considered to be satisfies by
  - (A) Proportional taxation
  - (B) Progressive taxation
  - (C) Regressive taxation

- (D) Lump sum tax
- (E) Income tax

6. If marginal propensity to consume is 0.8 the multiplier would be

- (A) 5
- (B) 4
- (C) 4.5
- (D) 1.6
- (E) 2

7. If a function  $y = \log(1 + x)$ , then  $\frac{dy}{dx} =$

- (A) 1
- (B)  $x$
- (C)  $\frac{1}{1+x}$
- (D)  $\frac{1}{x}$
- (E)  $\log(1+x)$

8. According to the empirical rule, approximately what percentage of normally distributed data lies within one standard deviation of the mean?

- (A) 59%
- (B) 68%
- (C) 72%
- (D) 95%
- (E) 99.7%

9. The contribution of agriculture sector to India's GDP during 2012-13 was around:

- (A) 21 percent
- (B) 18 percent
- (C) 15 percent
- (D) 25 percent
- (E) 32 percent

10. Through open market operations, the RBI purchase and sell

- (A) Foreign exchange
- (B) Gold

- (C) Government securities
- (D) Debentures
- (E) All of these

**SECTION B**

**(3x10 = 30 Marks)**

**Answer Any THREE of the following in about 300 words each**

1. Discuss concisely the Keynesian theory of Income-Expenditure Model
2. Discuss the major challenges faced by Indian agriculture sector
3. Explain the equilibrium conditions for a market under perfect competition
4. The total cost function of a product is given by  $C(x) = x^3 - \frac{615x^2}{2} + 15750x + 18000$ ,  
where x is the number of units produced. Determine the number of units that must be produced to minimize the total cost.
5. A company wants to know the relationship between the annual value of its total sales based on the national income of the country where it does its business

X	189	190	208	227	239	252	257	274	293	308	316
Y	402	404	412	425	429	436	440	447	458	469	469

Where x represents the national income in millions of rupees and y represents the company's sales in thousands of rupees during the period from 2000 to 2010

Calculate (i) The regression line of y on x. and (ii) The linear correlation coefficient and interpret it.

**SECTION C**

**(1x20 = 20 Marks)**

**Answer the following in about 600 words**

6. Discuss concisely the major developments that have taken place in Indian Economy during the post reform period. Explain the need and relevance of Indian ethos and values for the attainment of better economic development.

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