



**Doon University, Dehradun
Entrance Test**

5-Years Integrated M.Sc. Economics

Roll Number				
Programme Name				
Examination Centre				
Date of Examination				
Signature of Candidate	Name of the Invigilator		Signature of the Invigilator	

Time Allowed: 2 Hours

INSTRUCTIONS FOR CANDIDATES

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

GENERAL

- (i) Write your Roll Number in the space provided 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 works.

INSTRUCTIONS FOR ANSWERING QUESTIONS

- ✓ Answer all Questions.
- ✓ Correct answers must be ticked in the question paper itself. Mark your answer only in the box given against the options as follows.

a.	
b.	✓
c.	
d.	

- ✓ Once marked, no change in the answer is allowed.
- ✓ Nothing must be attached to the question paper.
- ✓ There is no negative marking.
- ✓ Use ONLY BLUE/BLACK Ballpoint Pen (Do not use Pencil)

SECTION A: ECONOMICS

1. Variable costs are

a. Unaffected by the level of production	
b. Affected by the level of production	
c. Never affected by the level of production	
d. None of the above	

2. Efficient allocation of resources is likely to be achieved under

a. Monopoly	
b. Monopolistic competition	
c. Perfect competition	
d. Any market form	

3. A shift in production possibility curve indicates

a. Increase in resources	
b. Improvement in technology	
c. Both a. and b.	
d. None of the above	

4. The tangency between indifference curve and price line is called

a. General equilibrium	
b. Consumer's equilibrium	
c. Producer's equilibrium	
d. None of the above	

5. Purchase of refrigerator by a cold drink seller is an act of

a. Production	
b. Final consumption	
c. Intermediate consumption	
d. Investment	

6. Difference in export and import of goods is called balance of

a. Current account	
b. Invisibles	
c. Trade account	
d. Capital account	

7. Which of the following cannot be considered a productive use of finance

a. Fencing the land	
b. Installing a tube well	
c. Meeting the family requirements	
d. Purchase of a machine	

8. The difference $1 - MPC$ is called as

a. Marginal propensity to save	
b. Marginal propensity to import	
c. Average propensity to save	
d. None of the above	

9. In India, fiscal year starts from

a. 31 st March	
b. 31 st April	
c. 1 st April	
d. 1 st March	

10. Banks earn interest on

a. Deposits	
b. Loans	
c. Demand draft	
d. Bill of exchange	

11. Broad definition of money is

a. M1	
b. M2	
c. M3	
d. M4	

12. Balance of payment is an application of

a. Single entry book keeping	
b. Double entry book keeping	
c. Either a. or b.	
d. None of these	

13. Which of the following is an indirect tax?

a. Income tax	
b. Gift tax	
c. Sales tax	
d. All the above	

14. Double counting means counting the same value

a. Twice	
b. Three times	
c. Four times	
d. More than one time	

15. Which of the following is wrongly classified?

a. Food – non-durable goods	
b. Library – national wealth	
c. Typewriter – services	
d. Factory – capital goods	

16. A coin is tossed three times. What is the probability that it lands on heads *exactly* one time?

a. 0.125	
b. 0.250	
c. 0.333	
d. 0.375	
e. 0.500	

17. The mean of the weights of a group of 100 men and women is 160lb. If the number of men in the group is 60 and the mean weight of the men is 180lb, what is the mean weight of the women?

a. 120lb	
b. 125lb	
c. 130lb	
d. 132lb	
e. 135lb	

18. A scatter diagram:

a. In which the dependent variable is scaled along the vertical axis.	
b. In which the dependent variable is scaled along the horizontal axis.	
c. That portrays the relationship between two variables.	
d. All of the above	

19. In correlation analysis

a. We consider several independent variables	
b. We study the strength of association between two variables	
c. We consider the intercept with the Y axis	
d. None of the above	

20. A statistical measure based upon the entire population is called parameter while measure based upon a sample is known as

a. Sample parameter	
b. Inference	
c. Statistic	
d. None of these	

$$A = \begin{bmatrix} 9 & 0 \\ 0 & 9 \end{bmatrix}$$

21. The matrix is a ?

a. scalar matrix	
b. identity matrix	
c. even matrix	
d. odd matrix	

22. π denotes the ratio of the _____ to the _____.

a. area of a circle, circumference of a circle	
b. area of a circle, length of its diameter	
c. circumference of a circle, length of its radius	
d. circumference of a circle, length of its diameter	

23. Find distance of straight line from point A(-3,0) to B(0,1).

a. 5	
b. $5^{1/2}$	
c. 10	
d. $10^{1/2}$	

24. David has 200 books in his library. 30% of these books are about science. Of these books about science, 20% are about mathematics. How many math books does David have?

a. 100	
b. 60	
c. 40	
d. 50	
e. 12	

25. $(\sqrt{128}) / 2 + (5\sqrt{2}) / 4 =$

a. $(\sqrt{130}) / 2$	
b. $(21\sqrt{2}) / 4$	
c. $(133\sqrt{2}) / 4$	
d. $(138\sqrt{2}) / 4$	
e. $(138\sqrt{2}) / 6$	

SECTION B: REASONING

26. In a certain code HOUSE is written as FTVPI, how is CHAIR written in that code?

a. DIBJS	
b. SBJID	
c. SHBGD	
d. SJBID	

27. How many meaningful words can be made from the letters AEHT, using each letter only once?

a. None	
b. One	
c. Two	
d. Three	

28. In the following question one term in the number series is wrong. Find out the wrong term

29. 8, 14, 26, 48, 98, 194, 386

a. 14	
b. 48	
c. 98	
d. 194	

29. A long rope has to be cut to make 23 small pieces. If it is double folded to start with how many times does it need to be cut?

a. 9	
b. 23	
c. 11	
d. 12	

30. Introducing a boy, a girl said, "He is the son of the daughter of the father of my uncle." How is the boy related to the girl?

a. Brother	
b. Nephew	
c. Uncle	
d. Son-in-law	

31. If the digits of the number 5726489 are arranged in ascending order, how many digits will remain at the same position?

a. None	
b. One	
c. Two	
d. Three	

32. If blue means pink, pink means green, green means yellow, yellow means red and red means white then what is the color of turmeric?

a. green	
b. yellow	
c. red	
d. pink	

33. 120, 99, 80, 63, 48, ?

a. 35	
b. 38	
c. 39	
d. 40	

34. Mara runs faster than Gail.

Lily runs faster than Mara.

Gail runs faster than Lily.

If the first two statements are true, the third statement is

a. true	
b. false	
c. uncertain	

35. The total of the ages of Amar, Akbar and Anthony is 80 years. What was the total of their ages three years ago?

a. 71 years	
b. 72 years	
c. 74 years	
d. 77 years	

SECTION C: COMPREHENSION

Read both the passages and answer all questions.

Passage-1

Economics is a study of the process by which we make and spend our incomes. It is also defined as a study of how man satisfies his wants and needs for economic goods and services. Even more specifically, economics is a study the process by which man attempts to get the most satisfaction possible when he cannot buy all of the goods and services that he would like. The inability of man to buy all of the goods and services that he would like is often referred to as the economic fact of scarcity. Economics, then, is concerned with the production, distribution, and consumption of goods and services.

Economic activity at a given time includes everything that is being done to satisfy man's wants and needs through production, distribution, and consumption. Management, labor, and government all contribute to economic activity through which man's wants and needs are satisfied. The end results sought through economic activity are: (1) the creating of economic goods and services for man's use; and (2) the providing of opportunities for man to earn a reasonable income so he can acquire and consume the goods and services he wants and needs.

36. Economics was definitely said to involve _____.

a. Making a living	
b. Satisfying our needs	
c. Paying taxes	
d. Planning a budget	

37. The passage mentions _____.

a. Scarcity	
b. Surplus	
c. Depression	
d. Inflation	

38. The purpose of this passage is _____.

a. To arouse interest	
b. To entertain	
c. To criticize	
d. To make clear	

39. Chief emphasis is on the _____.

a. How	
b. Where	
c. When	
d. What	

40. The author mentions that the main activities in an economy are

a. Production and consumption	
b. Consumption and distribution	
c. Production and Distribution	
d. All the above	
e. None of the above	

Passage-2

The more difficult task of ensuring global economic stability was assigned to the IMF. Those who convened Bretton Woods had the global depression of the 1930's very much on their minds. Almost three quarters of a century ago, capitalism faced the most severe crisis to date. The Great Depression enveloped the whole world and led to unprecedented increases in unemployment. At the worst point, a quarter of America's workforce was unemployed. The British economist John Maynard Keynes, who would later be a key participant at Bretton Woods, put forward a simple explanation, and a corresponding simple set of prescriptions; lack of sufficient aggregate demand explained economic downturns; government policies could help stimulate aggregate demand. In cases where monetary policy is ineffective, governments could rely on fiscal policies, either by increasing expenditures or cutting taxes. While the models underlying Keynes' analysis have subsequently been criticised and refined, bringing a deeper understanding of why market forces do not work quickly to adjust the economy to full employment, the basic lessons remain valid.

41. The IMF was assigned:

a. The task of accelerating economic growth of the world	
b. The task of controlling inflation in the world economy	
c. The task of ensuring economic stability in the world economy	
d. The task of removing imbalances from the U.S.A.	

42. During the Great Depression :

a. Unemployment rate in the World was 25%	
b. Unemployment rate in England was 20%	
c. Unemployment rate in the U.S.A. was 25%	
d. Unemployment rate in India was 20%	

43. According to Keynes, the cause for the unprecedented global depression of the 1930's was:

a. High interest rate in the USA.	
b. Low interest rate in the UK.	
c. Break down of the gold standard	
d. Lack of sufficient aggregate demand	

44. Keynes' prescription to fight global depression was that:

a. The government should pursue active monetary policy	
b. The government should pursue a combination of fiscal policy and monetary policy	
c. The government should pursue fiscal policy where monetary policy is in effective	
d. The government should have a policy of balanced budget	

45. The author in this passage is discussing

a. The effects of recession	
b. The paradigm shift brought by Keynes	
c. The factors contributing inflation	
d. None of the above	

SECTION E: GENERAL AWARENESS

46. What is NSSO?

a. National Agriculture Science Organization	
b. National Agriculture Study Organisation	
c. National Auto Science Organisation	
d. National Sample Survey Organisation	
e. None of the Above	

47. National Rural Employment Programme started in?

a.1979	
b.1980	
c.1981	
d.1982	
e. None of the Above	

48. First Regional Rural Bank came into existence in,

a.1973	
b.1974	
c.1975	
d.1976	
e. None of the Above	

49. In the state of India, the State Financial Corporation have given assistance mainly to develop

a. Irrigation projects	
b. small-scale industries	
c. medium-scale industries	
d. medium and small-scale industries	
e. None of the Above	

50. When was new rupee symbol was selected by Union Cabinet ?

a. July 10, 2010	
b. July 15, 2010	
c. July 10, 2011	
d. July 15, 2011	
e. None of the Above	

51. Who have written the book "Capital and Growth" ?

a. A. R. Rodon	
b. Hicks	
c. Adam Smith	
d. Marshall	
e. None of the Above	

52. The current price index (base 1960) is nearly 330. This means that

a. all items cost 3-3 times more than what they did in 1960	
b. the prices of certain selected items have gone up to 3-3 times	
c. weighted means of prices of certain item has increased 3-3 times	
d. gold price has gone up 3-3 times	
e. None of the Above	

53. In which of the following sequences the change in quantity of money leads to change in price level in the Keynesian models?

a. Change in quantity of money - change in investment - change in employment and output - change in rate of interest - change in price level	
b. Change in quantity of money - change in employment and output - change in investment - change in the rate of interest - change in price level	
c. Change in quantity of money - change in investment - change in rate of interest - change in employment and output - change in price level	
d. Change in quantity of money - change in rate of interest - change in investment - change in employment and output - change in price level	
e. None of the Above	

54. if the involvement of financial intermediaries in aiding credit creation without regulatory oversight is called

a. virtual banking	
b. Common banking	
c. Unit banking	
d. Shadow banking.	
e. None of the Above	

55. India's foreign trade policy could be best described as

a. Free trade	
b. Laizzez faire	
c. Controlled free trade	
d. None of these	

56. Finance Commission is constituted every

a. two years	
b. three years	
c. five years	
d. six years	
e. None of the Above	

57. India earns maximum foreign exchange by the export of

a. iron	
b. Tea	
c. Textile	
d. Rubber	
e. None of the Above	

58. MRTP Act was implemented in

a. 1967	
b. 1968	
c. 1969	
d. 1970	
e. None of the Above	

59. Which state has the highest Per Capita Income?

a. Maharashtra	
b. Delhi	
c. Punjab	
d. Haryana	
e. None of the Above	

60. Consumer Protection Act (CORPA) was implemented in

a. 1985	
b. 1986	
c. 1987	
d. 1988	
e. None of the Above	

61. Foreign currency which has a tendency of quick migration is called

a. Hot currency	
b. Soft currency	
c. Gold currency	
d. Scarce currency	
e. None of the Above	

62. In India, barter exchange is still in practice in

a. Calcutta	
b. Lucknow	
c. Ahmedbad	
d. Jabalpur	
e. None of the Above	

63. Who introduced cooperative society in India?

a. Lord Curzon	
b. Lord Wavell	
c. Lord Rippon	
d. Lord Cornwallis	
e. None of the Above	

64. National Income estimates in India is prepared by

a. RBI	
b. C.S.O.	
c. Finance Ministry	
d. Planning Commission	
e. None of the Above	

65. In India which source of irrigation is widely used

a. Wells	
b. Canals	
c. Rivers	
d. Tanks	
e. None of the Above	

66. The currency Deutsche Mark belongs to

a. Italy	
b. Russia	
c. Germany	
d. Poll and	
e. None of the Above	

67. Diamond cutting is undertaken as a cottage industry in

a. Rajasthan	
b. Gujarat	
c. Andhra	
d. Maharashtra	
e. None of the Above	

68. The ASBA (Application Supported by Blocked Amount) platform to facilitate smooth participation in the initial public offering market was introduced by ___?

a.RBI	
b. SEBI	
c.BSE	
d.NSE	
e. None of the Above	

69. If the RBI adopts an expansionist open market operations policy, this means that it will

a. Offer Commercial banks more credit in the open market	
b. Buy securities from non-government holders	
c. Openly announce to the market that it intends to expand credit	
d. Sell securities in the open market	
e. None of the Above	

70. Which of the following is not viewed as a national debt?

a. Life Insurance Policies	
b. Long-term Government Bonds	
c. Provident Fund	
d. National Saving Certificate	
e. None of the Above	

71. Fiscal deficit in the Union Budget means

a. The sum of monetized deficit and budgetary deficit	
b. The difference between current expenditure and current revenue	
c. Net increase in Union Governments borrowings from the Reserve Bank of India	
d. The sum of budgetary deficit and net increase in internal and external borrowings	
e. None of the Above	

72. If all the banks in an economy are nationalized and converted into a monopoly bank, the total deposits

a. Will neither increase nor decrease	
b. Will decrease	
c. Will increase	
d. None of these	

73. Foreign Direct Investment ceilings in the telecom sector have been raised from 49 percent to

a. 74 percent	
b. 90 percent	
c. 100 percent	
d. 51 percent	
e. None of the Above	

74. If an economy is equilibrium at the point where plans to save and to invest are equal, then government expenditure must be

a. Negative	
b. Zero	
c. Equal to government income	
d. Larger than government income	
e. None of the Above	

75. The goal of a pure market economy is to best meet the desires of

a. consumers	
b. companies	
c. workers	
d. the government	
e. None of the Above	