

**Ph.D. ENTRANCE EXAMINATION, APRIL 2021****ECONOMICS**

Time : Two Hours

Maximum : 100 Marks

**Part A**

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

1. In the entry prevention model of Bain, firms charge premium over :  
(A) Long period competitive price.      (B) Short period competitive price.  
(C) Lowest average cost.      (D) None of the above.
2. The slope of the production possibility curve is the :  
(A) Marginal rate of exchange.  
(B) Marginal rate of substitution.  
(C) Average rate of transformation.  
(D) Marginal rate of transformation.
3. Who among the following economists are associated with the concept of Quasi rent ?  
(A) A. Marshal.      (B) J. Robinson.  
(C) D. Ricardo.      (D) Karl Marx.
4. Which one of the following is not an assumption of permanent income hypothesis ?  
(A) Transitory income can be both positive and negative.  
(B) Permanent income depends on human and non-human wealth.  
(C) Transitory consumption can be both positive and negative.  
(D) Average propensity to consume is greater than marginal propensity to consume.
5. Fei-Ranis's theory of economic development is based on :  
(A) Dualistic approach to development.  
(B) Presence of disguised unemployment.  
(C) Importance of agricultural development.  
(D) All of the above.
6. According to Monetarists, demand for money function is :  
(A) Stable and interest inelastic.      (B) Constant and interest elastic.  
(C) Stable and interest elastic.      (D) Unstable and interest inelastic.

**Turn over**

7. A population pyramid of a country shows the :
- (A) Age structure of male and female population.
  - (B) Age structure of male population.
  - (C) Age structure of female population.
  - (D) Age structure of rural and urban population.
8. Concepts of concentration and displacement effect in public expenditure are attributed to :
- (A) Allen T Peacock and Jack Wiseman.
  - (B) A.R. Prest and I.M.D. Little.
  - (C) A.C. Pigou and J.K. Mehta.
  - (D) Kenneth Arrow and Paul A. Samuelson.
9. While recommending horizontal distribution, which of the following criterion got the least weightage by the 14<sup>th</sup> Finance Commission ?
- (A) Demographic change.
  - (B) Area.
  - (C) Population.
  - (D) Income distance.
10. In the context of International Trade dumping refers to :
- (A) Free distribution of used products by developed countries in developing countries.
  - (B) Selling a commodity cheaper in foreign market and costly in domestic market.
  - (C) Sending cheap goods to developing countries by developed countries.
  - (D) None of the above.
11. A deficit in balance of payments can be corrected by :
- (A) A reduction in interest rate.
  - (B) Discouraging capital inflows.
  - (C) An increase in interest rate.
  - (D) Restricting remittances.
12. Which among the following rates is independently determined in India ?
- (A) Repo rate.
  - (B) Reverse repo rate.
  - (C) Both (A) and (B).
  - (D) Neither (A) nor (B).
13. The production function  $Q = 150 L^{0.7} K^{0.5}$ , exhibits the returns to scale as :
- (A) Constant.
  - (B) Increasing.
  - (C) Decreasing.
  - (D) Fluctuating.

14. Koyck's approach to econometric analysis deals with relationships involving :
- (A) Lagged explanatory variables.
  - (B) Qualitative explanatory variables.
  - (C) Exponential explanatory variables.
  - (D) None of the above.
15. For the demand function  $P = 10 - 2x - 0.5x^2$ , what is price elasticity of demand at  $x = 2$  ?
- (A) Zero.
  - (B) 0.5.
  - (C) 1.
  - (D) 1.5.
16. Classical dichotomy refers to which one of the following ?
- (A) There are two sectors of the economy, namely, agriculture and industry.
  - (B) Influence of money is not on the real variables like employment and output but on price level.
  - (C) Savings come only from profits and not from the wages.
  - (D) All of the above
17. In the Harrod-Domar equation  $g = s/v$ , where  $v$  is defined as :
- (A) The value of country's capital stock.
  - (B) Incremental capital output ratio.
  - (C) The change in country's capital stock.
  - (D) None of the above.
18. The saving function used in the neo-classical growth model is a :
- (A) Classical saving function.
  - (B) Proportional saving function.
  - (C) Differential saving function.
  - (D) Constant saving function.
19. Which among the following is correct for the discretionary fiscal action ?
- (A) Payment of Unemployment insurance.
  - (B) Payment of Social Security to the retired individuals.
  - (C) A managed change in level of Government spending and/or net tax revenues.
  - (D) Automatic changes in net tax revenues that result from income tax structure.
20. A public good is :
- (A) Non-excludable in nature.
  - (B) Nonrival in consumption.
  - (C) Excludable in nature.
  - (D) A good that public must possess.
21. A forward-shifted tax will affect :
- (A) Buyers more than sellers.
  - (B) Sellers more than buyers.
  - (C) Buyers and sellers equally.
  - (D) Government revenues negatively.

22. In the trade cycle theory of J.R. Hicks, long run equilibrium growth is determined by :
- (A) Technology. (B) Population.  
(C) Autonomous investment. (D) Both (A) and (B) above.
23. For the set of observations : 0, 4, 5, 7, 100, which one of the following is the most suitable average ?
- (A) Arithmetic Mean. (B) Geometric Mean.  
(C) Median. (D) Harmonic Mean.
24. The area between  $-3\sigma$  and  $+3\sigma$  under standard normal curve is :
- (A) 1. (B) 0.9973.  
(C) 0.95. (D) 0.6826.
25. For testing the association of attributes which of the following tests is suitable ?
- (A)  $t$ -test. (B) F-test.  
(C)  $\chi^2$ -test. (D) Z-test

(25 × 2 = 50 marks)

### Part B

*Answer any six questions.  
Each question carries 5 marks.*

1. What are the properties of normal distribution ?
2. Explain in the procedure for testing a hypotheses.
3. Explain different random sampling.
4. What is an econometric model ?
5. Write a note on inclusive development.
6. Differentiate between research methods and methodology.
7. Write a note on Entitlement approach to poverty
8. What are the properties of arithmetic mean ?

(6 × 5 = 30 marks)

### Part C

*Answer any two questions.  
Each question carries 10 marks.*

1. Explain how a research problem is formulated with an example.
2. Critically evaluate Harrod Domar Growth model.
3. What are the sources of research data. Explain the process of collecting primary data.
4. Critically evaluate the economic reforms followed in Indian economy.

(2 × 10 = 20 marks)