



**Ph.D. COMMON ENTRANCE TEST - JANUARY 2025**

**SUBJECT – ECONOMICS  
PART B**

Roll No:

Duration: 60 minutes

Maximum Marks: 50

**Instructions:**

1. This entrance test question paper is not to be taken out of the examination hall
2. Question paper consists of Section A and Section B
3. Section A consists of 30 MCQs carrying 1 Mark each. Write the Alphabet of the correct answer in the space given.
4. Section B consists of Descriptive questions carrying 5 marks each. Restrict your answer to 500 words. Additional plain sheets have been attached to the question paper to answer Section B

**SECTION – A**

Answer the following questions by writing the Alphabet of the correct answer in the Box given:

30 X 1 = 30

1. Who among the following said, "Inflation is everywhere and always a monetary phenomenon"?

- A. James Tobin
- B. John M. Keynes
- C. Milton Friedman
- D. Anna J Schwartz

2. 'Bandwagon effect' is found in

- A. Relative income hypothesis
- B. Permanent income hypothesis
- C. Life cycle hypothesis
- D. Absolute income hypothesis

3. Meeting needs of present generation without compromising the needs of future generation is

- A. Economic development
- B. Social development
- C. Sustainable development
- D. Economic growth

4. Hedging refers to

- A. the acceptance of a foreign exchange risk
- B. covering of a foreign exchange risk
- C. foreign exchange speculation
- D. foreign exchange arbitrage

5. "Economics is what it ought to be" – This statement refers to

- A. Fiscal economics
- B. Monetary economics
- C. Positive economics
- D. Normative Economics

6. Gilt-edged market is

- A. Bullion market
- B. Market of government securities
- C. Market of guns
- D. Market of pure metals

7. "Bad money (if not limited in quantity) drives good money out of circulation". The statement is from which among the following laws?

- A. Keynes' law
- B. Wagner's law
- C. Gresham's law
- D. Grimm's law

8. SHG – Bank Linkage Programme is the bank-led microfinance channel initiated by \_\_\_\_\_ in 1992.

- A. RRB
- B. NABARD
- C. SBI
- D. Indian Bank

9. According to Baumol, \_\_\_\_\_ maximisation is not only a means but an end in itself.

- A. Profit
- B. Growth
- C. Sales
- D. Market

10. The process of budget making after revaluating every item of expenditure in every financial year is known as

- A. Performance budgeting
- B. Fresh budgeting
- C. Debit budgeting
- D. Zero based budgeting

11. Which of the following economist developed the concept of “immiserising growth”?

- A. Jagdish Bhagwati
- B. Samuelson
- C. Mrs. Joan Robinson
- D. Harrod-Domar

12. The law of demand states that other things being equal:

- A. An increase in price leads to an increase in the quantity demanded
- B. An increase in price leads to a decrease in the quantity demanded
- C. An increase in income leads to a decrease in the quantity demanded
- D. Quantity demanded does not depend on price

13. Inverted ‘U’ shaped income distribution hypothesis is associated with

- A. J.B. Clark
- B. David
- C. Simon Kuznets
- D. Adam Smith

14. The term 'best' in the best linear unbiased estimators (BLUE) implies:

- A. Maximum variance of the estimators
- B. Minimum variance of the estimators
- C. Average variance of the estimators
- D. Unbiased variance of the estimators

15. The term "opportunity cost" refers to:

- A. The cost of producing a good or service
- B. The cost of forgoing the next best alternative when making a decision
- C. The fixed costs of production
- D. The cost of labor and capital combined

16. The "Laffer Curve" is used to illustrate the relationship between:

- A. Tax rate and tax revenue
- B. Price levels and output
- C. Inflation and unemployment
- D. Government spending and economic growth

17. The Phillips Curve illustrates the relationship between:

- A. Money supply and inflation
- B. Unemployment and inflation
- C. Output and interest rates
- D. Interest rates and investment

18. The concept of "crowding out" refers to:

- A. The increase in government spending that leads to a decrease in private investment
- B. The increase in private spending that leads to a decrease in government spending
- C. The increase in exports due to government intervention
- D. The rise in private consumption due to tax cuts

19. Financial dualism theory was developed by

- A. A.B. Higgins
- B. H. Myint
- C. W.A. Lewis
- D. R. Nurkse

20. A tax imposed on a commodity according to its weight, size or measurement is called

- A. Advalorem tax
- B. Specific tax
- C. Single tax
- D. Double taxation

21. Market at which transaction will be consummated at some specified time in future is called

- A. Spot market
- B. Current market
- C. Capital market
- D. Forward market

22. Geometric mean of Laspeyre's and Paasche's indices provides

- A. Marshall-Edgeworth Index
- B. Bowley's Index
- C. Fisher's Index
- D. Kelley's Index

23. \_\_\_\_\_ mean is the Nth root of the product of N items or values.

- A. Arithmetic mean
- B. Geometric mean
- C. Harmonic mean
- D. None of the above

24. Bell shaped is the important property of \_\_\_\_\_.

- A. Poisson distribution
- B. Binomial distribution
- C. Normal distribution
- D. Standard distribution

25. \_\_\_\_\_ is the non-probability sampling method.

- A. Stratified sampling
- B. Systematic sampling
- C. Quota sampling
- D. Simple random sampling

26. "Accumulate, accumulate! That is Moses and the prophets", and "save, save i.e. reconvert the greatest possible portion of surplus value or surplus product into capital". Who said this?

- A. Adam Smith
- B. Karl Marx
- C. Robert Malthus
- D. JS Mill

27. The coefficient of correlation lies between

- A. 0 and 0
- B. -1 and +1
- C. 0 and 1
- D. 1 and 0

28. \_\_\_\_\_ is the difference between the value of the smallest item and the value of the largest item included in the distribution.

- A. Range
- B. Quartile deviation
- C. Mean deviation
- D. Standard deviation

29. Critical Minimum Effort theory was advocated by

- A. Rosenstein Rodan
- B. Harvey Leibenstein
- C. W.W. Rostow
- D. David Ricardo

30. Parallel economy emerges due to

- A. Tax evasion
- B. Tax Compliance
- C. Tax estimation
- D. None of the above

### Section - B

**Answer any four questions (Each question Carry 5 Marks)**

**4\*5 = 20**

1. Explain the IS-LM model and its relevance in macroeconomic analysis.
2. Discuss the factors that limit the empirical relevance of the Heckscher-Ohlin model in explaining trade patterns in the real world.
3. Illustrate the mechanism of surplus labour migration from the agricultural sector to the industrial sector in the Lewis Model.
4. Outline the role of the Pradhan Mantri Jan Dhan Yojana (PMJDY) in promoting financial inclusion in India.
5. Examine how climate change affects the achievement of Sustainable Development Goals (SDGs) related to economic growth.
6. 'Product differentiation' and 'Selling Cost' are the striking features of Monopolistic Competition. Examine.