HPPSC
Asst. Prof.

Previous Year Paper
(Economics) (CC)
2016

Booklet Serial No. : 0153

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TEST BOOKLET

A.P.(CC)ECONOMICS-2016

Time Allowed : 2 Hours] [Maximum Marks : 100

All questions carry equal marks.

INSTRUCTIONS

1. Immediately after the commencement of the examination, you should check that test booklet does not have any unprinted or torn or missing pages or items, etc. If so, get it replaced by a complete test booklet.
2. Write your Roll Number only in the box provided alongside. Do not write anything else on the Test Booklet.
3. This Test Booklet contains **100** items (questions). Each item comprises four responses (answers). Choose only one response for each item which you consider the best.
4. After the candidate has read each item in the Test Booklet and decided which of the given responses is correct or the best, he has to mark the circle containing the letter of the selected response by blackening it completely with Black or Blue ball pen. In the following example, response "C" is so marked :

   Ⓐ Ⓑ ● Ⓓ

5. Do the encoding carefully as given in the illustrations. While encoding your particulars or marking the answers on answer sheet, you should blacken the circle corresponding to the choice in full and no part of the circle should be left unfilled.
6. You have to mark all your responses ONLY on the ANSWER SHEET separately given according to 'INSTRUCTIONS FOR CANDIDATES' already supplied to you. *Responses marked on the Test Booklet or in any paper other than the answer sheet shall not be examined.*
7. All items carry equal marks. Attempt all items. Your total marks will depend only on the number of correct responses marked by you in the Answer Sheet. There will be no negative marking.
8. Before you proceed to mark responses in the Answer Sheet fill in the particulars in the front portion of the Answer Sheet as per the instructions sent to you.
9. After you have completed the test, hand over the Answer Sheet only, to the Invigilator.

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P.T.O.

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1. If the total cost function is given by the equation, $C = 60 + 20x$, then (where x = output) :

   (A) Fixed cost is 60 and variable cost is 20

   (B) Fixed cost is 60 and marginal cost is 20

   (C) Fixed cost is 20 and marginal cost is 60

   (D) None of the above

2. Match List-I with List-II and select the *correct* answers with codes given below :

List-I	**List-II**
(1) Utility Analysis	(*i*) Welfare Economics
(2) Consumer's surplus	(*ii*) Art of Advertising
(3) Cost Analysis	(*iii*) Supply Decision
(4) Product Differentiation	(*iv*) Progressive Taxation

Codes :

	(1)	(2)	(3)	(4)
(A)	(*i*)	(*ii*)	(*iii*)	(*iv*)
(B)	(*iii*)	(*i*)	(*iv*)	(*ii*)
(C)	(*i*)	(*iv*)	(*iii*)	(*ii*)
(D)	(*i*)	(*ii*)	(*iv*)	(*iii*)

3. Phillips curve describes the relationship between :

(A) Savings and Investment

(B) Demand for money and inflation

(C) Rate of unemployment and rate of inflation

(D) Marginal tax rate and rate of inflation

4. According to Simon Kuznets, the relationship between national product per capita and inequality in the distribution of income can be expressed as :

(A) Strictly increasing relationship

(B) Strictly decreasing relationship

(C) There in no relationship

(D) First increasing and then decreasing relationship

5. The production function $P = \sqrt{7L^2 + 12LK + 5K^2}$ exhibits :

(A) Constant returns to scale

(B) Decreasing returns to scale

(C) Increasing returns to scale

(D) All of the above

6. Which of the following economists' name is associated with CES production function ?

(A) Harrod, Domar

(B) Solow, Arrow, Chenery

(C) Kaldor, Paseneti

(D) Samuelson, Hicks, Kalecki

7. In Cournot model if firms compete with each other, then :

(A) Each firm assumes the price of rival as given

(B) Each firm assumes the profit of rival as given

(C) Each firm assumes the output of the rival as given

(D) All of the above

8. In Stackelberg duopoly, the profits of the leader are :

(A) Equal to those of the follower

(B) Greater than those of the follower

(C) Less than those of the follower

(D) Greater than those in case of a Bertrand oligopolist

9. Prakash and Mukesh own two local petrol stations. They have identical constant marginal costs but earn zero economic profits. Prakash and Mukesh constitute a :

(A) Cournot oligopoly
(B) Bertrand oligopoly
(C) Sweezy oligopoly
(D) None of these

10. For a linear demand curve :

(A) The slope is constant but elasticity of demand varies
(B) The slope is constant but elasticity of demand is constant
(C) Both slope and elasticity of demand are constant
(D) Both slope and elasticity of demand vary

11. Consider the following statements about Cobb-Douglas Production function :

1. It is a short period production function
2. It is a long period production function
3. It assumes decreasing return to scale
4. Output elasticities with respect to factors *i.e.* labour and capital are constant.

Choose the *correct* code :

Codes :

(A) 1, 3 and 4
(B) 2, 3 and 4
(C) 1 and 4
(D) 2 and 4

12. Who among the following pairs of economists, is credited to propound that the interaction of multiplier and accelerator generates continuous cyclical fluctuations ?

(A) Harrod-Domar
(B) Romer-Sraffa
(C) Hicks-Samuelson
(D) Kaldor-Mirrlis

13. If the marginal product of capital is twice that of labour and the price of capital is three times that of labour, then :

(A) Capital will be substituted for labour

(B) Labour will be substituted for capital

(C) Price of labour will rise and price of capital will fall

(D) Twice as much capital as labour will be employed

14. Which of the following relationship is *correct* for LM curve ?

(A) Between demand for money and the rate of interest

(B) Between supply of money and the rate of interest

(C) Between demand for money and the supply of money

(D) Between income and the rate of interest

15. When interest payments are subtracted from fiscal deficit, it is known as :

(A) Budget deficit

(B) Primary deficit

(C) Revenue deficit

(D) Monetised deficit

16. The laws of returns to scale assumes that :

(A) All units of the factors are homogenous

(B) The technique of production remains unchanged

(C) The returns are measured in physical units

(D) All of the above

17. Which one of the following matches with the idea of free trade ?

(A) Absence of tariff

(B) Existence of anti-dumping policy

(C) Restrictions on the movements of goods and services

(D) Encouragement to balanced growth of the country

18. The meaning of 'Core sector' in India's planning refers to :

(A) Agriculture

(B) Defence industries

(C) Iron and steel industry

(D) Selected basic industries

19. The Environmental Kuznets curve shows a relationship between :

(A) Per capita income and environmental degradation

(B) Population growth rate and environmental degradation

(C) Industrial growth rate and environmental degradation

(D) Poverty and environmental degradation

20. The nature of functional finance is :

(A) Macro static

(B) Macro dynamic

(C) Comparative static

(D) Comparative dynamic

21. What is *correct* for a Veblen good ?

(A) Increase in price leads to decrease in demand

(B) Increase in price leads to increase in demand to show high status

(C) Increase in price does not change demand

(D) It is like a Giffin good

22. Which of the following theory of public expenditure is known as 'Clinging to power theory' ?

(A) Ballot Box Theory
(B) Displacement Theory
(C) Positive Theory
(D) Majority Voting Theory

23. The following are some of the tax revenue sources of the union government :

1. Corporation Tax
2. Income Tax
3. Customs Duty
4. Net Union Excise Duty

Arrange the aforesaid tax receipts in descending order in terms of budgeted receipts during 2015-16 :

(A) 1, 2, 3, 4
(B) 1, 2, 4, 3
(C) 2, 1, 3, 4
(D) 4, 3, 2, 1

24. Balanced growth theory is associated with which of the following ?

(A) W. A. Lewis
(B) Ragnar Nurkse
(C) Paul Stretton
(D) W. W. Rostow

25. Whose name is associated with four stages of population growth ?

(A) Karl Sax

(B) C. P. Blackes

(C) W. S. Thompson

(D) F. W. Notestein

26. Which set of data from a life table is *correct* ?

(A) $d_8 = 1084.23$, $l_8 = 10842.3$

(B) $d_9 = 10842.3$, $l_9 = 108423.0$

(C) $d_8 = 1084$, $l_8 = 108423$

(D) None of the above

27. The theory of immiserising growth was given by :

(A) Jagdish Bhagwati

(B) Bhagwati and Jagdish

(C) H. Singer

(D) Samuelson

28. What was the amount of loan taken by India from IMF in 1991 ?

(A) $ 400 million

(B) $ 4000 million

(C) $ 500 million

(D) $ 5000 million

29. The concept of merit goods has been introduced by :

(A) Buchanan (B) Samuelson

(C) Tiebout (D) Musgrave

30. According to C.R. Fay, the industrial revolution started in which of the following countries ?

(A) Wales (B) Ireland

(C) Scotland (D) England

31. The total cost function of a firm is $C = \frac{x^2}{2} + 4x + 400$, the average fixed cost at $x = 4$ will be :

(A) 424 (B) 106

(C) 100 (D) 6

32. Which one of the following is regulator of share market in India ?

(A) SEBI (B) RBI

(C) CRISIL (D) NBFC

33. Service tax was introduced in India from the fiscal year :

(A) 1994-95 (B) 1995-96

(C) 1998-99 (D) 2005-06

34. Laffer curve represents the relationship between :

(A) Tax Rate and Tax Revenue

(B) Tax Rate and Inflation

(C) Tax Revenue and Government expenditure

(D) Tax Revenue and Inflation

35. Which one of the following is the cause of international trade , according to Heckschar-Ohlin trade theory ?

(A) Difference in costs

(B) Difference in demands

(C) Difference in factor availability

(D) Difference in currency of the countries

36. The demand for money equation $M_d = \frac{1}{2}\sqrt{\frac{2by}{r}}$ is related to which of the following economists ?

(A) Baumol-Tobin (B) Patinkin

(C) Keynes (D) Maurice Allais

37. If the budget of the central government does not get passed by Parliament till 31st March, how does government expenditure take place ?

(A) Vote on account
(B) Vote on credit
(C) Supplementary demands
(D) None of the above

38. The theory of potential surprise of profit is given by :

(A) Colin Clark
(B) F.H. Knight
(C) G.L.S. Shackle
(D) J.K. Mehta

39. The degree of homogeneity in a Cobb-Douglas production function is :

(A) Zero
(B) One
(C) Greater than one
(D) Less than one

40. In which of the following conditions, the policy of devaluation is generally applied by a country ?

(A) Surplus in BOP
(B) Deficit in BOP
(C) Inflationary conditions in the country
(D) Higher unemployment rate

41. In the Harris-Todaro model, in equilibrium the expected urban wage rate will be ..... the rural wage rate.

(A) Greater than
(B) Less than
(C) Equal to
(D) Cannot say definitely

42. Which of the following is *not* a component of PQLI ?

(A) Literacy
(B) Infant mortality
(C) Life expectancy
(D) Per capita income

43. If the birth rate is 6 percent and death rate is 2 percent, the natural rate of population increase (considering net migration as zero) is :

(A) 0.4 percent
(B) 4 percent
(C) 8 percent
(D) 3 percent

44. Which of the following statements is *correct* for "Trickle down effect" ?

(A) Economic growth needs to be controlled by the state

(B) Economic growth would being benefit to the poor automatically and eventually

(C) Appropriate delivery system and interventions would being economic growth

(D) None of the above statements is correct

45. Solow growth model predicts that :

(A) The rich nations will grow faster than poor nations

(B) The rich will get richer and the poor will get poorer

(C) The rich will get poorer and the poor will get richer

(D) Poor nations will grow faster than rich nations

46. Which one of the following taxes was abolished in the Union Budget 2015-16 ?

(A) Capital Gains tax

(B) Excise duty

(C) Wealth tax

(D) Luxury tax

47. The point of effective demand is the point of intersection of :

(A) Aggregate Demand and Aggregate supply curves

(B) Market Demand and Market supply curves

(C) Aggregate investment and Aggregate savings curves

(D) None of the above

48. The purchasing power parity theory of foreign exchange rate determination was propounded by :

(A) David Ricardo

(B) Gustav Cassel

(C) Jacob Viner

(D) Paul A. Samuelson

49. In Infant Mortality Rate (IMR), the age of infant in considered as :

(A) One month
(B) Six months
(C) Twelve months
(D) Sixty months

50. With which of the following techniques, the name of Leontief is mainly associated ?

(A) Linear Programming
(B) Game Theory
(C) Input-Output Analysis
(D) None of these

51. Stepwise increase in public expenditure is assumed in the theory/hypothesis of :

(A) Wagner hypothesis
(B) Findlay Shirras theory of public expenditure
(C) Musgrave's theory of public expenditure
(D) Wiseman-Peacock hypothesis

52. The coefficient of determination is given by :

(A) $1 - r^2$
(B) r^2
(C) $\sqrt{1 - r^2}$
(D) $\sqrt{1 + r^2}$

53. Which of the following factors is the most important for causing seasonal variations in a time-series ?

(A) Change in fashion
(B) Growth of population
(C) Change in tastes and habits
(D) Weather and social customs

54. If in a series, one value is zero, the geometric mean of the series would be :

(A) Zero
(B) Positive
(C) Negative
(D) Indeterminate

55. In a moderately asymmetric distribution, the median and mode are 20 and 18 respectively. The arithmetic mean would be :

(A) 19
(B) 19.5
(C) 21
(D) None of these

56. Which of the following receipts is *not* a part of capital budget of the Govt. of India ?

(A) Interest Receipts
(B) Small savings
(C) Market loans
(D) External loans

57. Which of the following does *not* contribute to the consolidated fund of government of India ?

(A) Income Tax (B) Custom Duty

(C) Provident fund (D) None of these

58. Which of the following funds of Govt. of India does *not* have a fixed corpus ?

(A) Public Account fund of India (B) Consolidated fund of India

(C) Contingency fund of India (D) Both (A) and (B)

59. Which of the following is *not* included in Zee-chart ?

(A) Curve of original data (B) Curve of moving totals

(C) Curve of progressive totals (D) Curve of cumulative data

60. The limits for the coefficient of rank correlation are :

(A) $0 \leq r_k \leq 1$ (B) $0 \leq r_k \leq \infty$

(C) $-\infty \leq r_k \leq \infty$ (D) $-1 \leq r_k \leq 1$

61. Which of the following index numbers use only current year quantity as weights ?

(A) Paasche Index Number

(B) Laspeyre's Index Number

(C) Marshall-Edgeworth Index Number

(D) Drobisch and Bowley Index Number

62. Which of the following is the formula for Kelly's price Index Number ?

(A) $P_{01} = \frac{\Sigma p_1 q_1}{\Sigma p_0 q_1}$

(B) $P_{01} = \frac{\Sigma p_1 q_0}{\Sigma p_0 q_0}$

(C) $P_{01} = \frac{\Sigma p_1 q}{\Sigma p_0 q}$

(D) $P_{01} = \frac{\Sigma p_1 (q_0 + q_1)}{\Sigma p_0 (q_0 + q_1)}$

63. Which of the following is *not* a method of collection of primary data ?

(A) Use of census data

(B) Direct personal investigation

(C) Indirect oral investigation

(D) Information through SMS

64. Progressive average is same as :

(A) Arithmetic Mean

(B) Moving Average

(C) Harmonic Mean

(D) None of these

65. Which of the following is *not* a two-dimensional diagram ?

(A) Pie diagram
(B) Square diagram
(C) Cube diagram
(D) Rectangular diagram

66. Which of the following is *not* included in Human Development Index ?

(A) Maternal Mortality Rate
(B) Life Expectancy at Birth
(C) Real per capita income (PPP)
(D) Literacy Rate

67. The census of India of 2011 was the :

(A) Fourteenth
(B) Fifteenth
(C) Sixteenth
(D) Seventeenth

68. Indian rupee was devalued second time in the year :

(A) 1991
(B) 1981
(C) 1966
(D) 1954

69. Which is *not* a measure of development ?

(A) HDI
(B) PQLI
(C) GDP
(D) UIDAI

70. On which day, first National Handloom Day was celebrated ?

(A) August, 9, 2015 (B) August 15, 2015

(C) August 7, 2015 (D) August 7, 2014

71. Which one of the following is *not* included in JAM number trinity ?

(A) Jan Dhan (B) MGNREGA

(C) Mobile (D) Aadhar

72. The law of diminishing returns to scale holds true in which period ?

(A) Secular Period (B) Long period

(C) Short period (D) Very short period

73. In which of the following states, life expectancy of birth (in years) during 2009-13 is highest ?

(A) Tamil Nadu (B) Kerala

(C) Jammu and Kashmir (D) Himachal Pradesh

74. Which of the following is the *correct* order of states in ascending order of population in 2011 ?

(A) U.P., Bihar, W.B., Maharashtra

(B) Maharashtra, U.P., Bihar, W.B.

(C) W.B., Bihar, Maharashtra, U.P.

(D) U.P., Maharshtra, Bihar, W.B.

75. Which of the following states has lowest death rate (per 1000 population) in 2013 ?

(A) Kerala
(B) Tamil Nadu
(C) Odisha
(D) J and K

76. According to the survey conducted by Ministry of Environment and Forest, Government of India, the total forest cover in India is around :

(A) 33 percent
(B) 30 percent
(C) 28 percent
(D) 21 percent

77. Energy sources that do not increase carbon emissions include :

(A) Wind mills
(B) Nuclear power plants
(C) Solar cells
(D) All of the above

78. Which of the following is *not* viewed as a National Debt ?

(A) Life Insurance policies
(B) National savings certificates
(C) Provident fund
(D) Long-term Government Bonds

79. Under the new FDI policy announced by the government in June, 2016, 100 percent FDI in trading including e-commerce of food products was allowed. This applies to those products which are manufactured or produced in :

(A) USA only
(B) Countries other than India
(C) India only
(D) SAARC countries

80. Consider the following statements about FDI :

1. FDI policy violation is a part of penal provisions of FEMA.
2. DIPP is responsible for formulation of FDI policy
3. RBI administers the FDI policy.
4. ED is the enforcement authority.

Choose the *correct* answer from the given codes :

(A) Only 1, 2 and 4 are correct
(B) Only 1, 2 and 3 are correct
(C) Only 2, 3 and 4 are correct
(D) 1, 2, 3 and 4, all are correct

81. During which period did Kalhana write his *Rajatarangini* ?

(A) 1084-86 AD
(B) 1095-97 AD
(C) 1113-15 AD
(D) 1148-50 AD

82. According to Hutchison and Vogel rulers of how many Thakurains of Shimla hill states bore the title of *Rana* or *Thakur* ?

(A) 16 (B) 18

(C) 20 (D) 22

83. Which raja of Trigarta married his daughter to Rana Lakshmana Chandra of Baijnath who was his vassal ?

(A) Rup Chandra (B) Kaul Chandra

(C) Anirudh Chand (D) Hriday Chandra

84. Near which town of H.P. is Tarna Devi temple ?

(A) Sundernagar (B) Mandi

(C) Hamirpur (D) Kullu

85. Which mountain pass joins Mandi and Kullu ?

(A) Jalsu (B) Dulchi

(C) Darati (D) Kunjam

86. In which District of H.P. is Saketi Lake ?

(A) Mandi (B) Sirmaur

(C) Kullu (D) Kinnaur

87. In which District of H.P. is Khokhan sanctuary ?

(A) Mandi (B) Kinnaur

(C) Lahul-Spiti (D) Kullu

88. In which river basin is Rukti hydro-power project ?

(A) Chenab (B) Ravi

(C) Satluj (D) Beas

89. When was Chamba state People's Federation set up ?

(A) 1942 (B) 1944

(C) 1945 (D) 1947

90. According to 2015-16 *Economic Survey* what has been the percentage of *negative* growth rate in the primary sector in H.P. during 2014-15 ?

(A) 1.3 (Negative) (B) 1.7 (Negative)

(C) 1.9 (Negative) (D) 2.3 (Negative)

91. When was *Atal Pension Yojna* launched ?

(A) November, 2014 (B) January, 2015

(C) May, 2015 (D) None of these

92. Why was Puttingal Devi temple (Kollam-Kerala) in news recently ?

(A) Agitation on the issue of entry of women

(B) Fireworks display in which several people died

(C) Agitation on the issue of entry of dalits

(D) All of the above

93. In which region of Haryana is Rakhigarhi situated ?

(A) Bhiwani (B) Hisar

(C) Karnal (D) Rohtak

94. Which river is called Bengal's sorrow ?

(A) Brahmaputra (B) Mahanadi

(C) Saryu (D) Damodar

95. How many seats did the Congress party win in Puduchcheri in the 2016 Vidhan Sabha elections ?

(A) 12 (B) 15

(C) 17 (D) 19

96. In which country did Hutu Tutsi genocide take place ?

(A) Tanzania (B) Congo

(C) Rwanda (D) Angola

97. Support of (approximately) how many delegates is needed to get Republican Party nomination in the US Presidential election, 2016 ?

(A) 2472 (B) 1887

(C) 1387 (D) 1237

98. Which day is observed as International Day against Drug Abuse and Illicit trafficking ?

(A) January, 14 (B) March, 26

(C) May, 3 (D) June, 26

99. You You Tu who won the 2015 nobel prize for medicine is known for using traditional herbal medicine to tackle..... .

(A) Cancer (B) Tuberculosis

(C) Malaria (D) Small-pox

100. Which country is called the land of the thunder dragon ?

(A) China (B) Myanmar

(C) Bhutan (D) None of these