



**Doon University, Dehradun**  
**Sample Paper**  
**M.Sc. Economics (5 Years)**

Name of the Candidate (in CAPITAL letters)		.....		Signatures of Candidate	
Roll Number				Programme Name	
Examination Centre					
Date of Examination					
Name and Signature of Invigilator					

*Time Allowed: 2 Hours*

*Maximum Marks: 150*

**INSTRUCTIONS FOR CANDIDATES**

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

**GENERAL**

- (i) Write your name and Roll Number in the space provided for the purpose 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 work.

**INSTRUCTIONS FOR ANSWERING QUESTIONS**

- (i) Answer all the 75 Questions.
- (ii) All questions are multiple choice or objective type
- (iii) The question paper has five sections:

- Section A: Economics
- Section B: Quantitative Methods
- Section C: Reasoning
- Section D: Comprehension
- Section E: General Awareness

- (iv) Each question is of two marks. There will be no negative marking.
- (v) The Answer to each Question is to be indicated through tick mark (✓) on the appropriate choice. (i.e., a, b, c, d or e ) in the question paper.
- (vi) Use only BLACK or BLUE ball point pen.

<b>SECTION A: ECONOMICS</b>
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1. The demand curve for a commodity is generally drawn on the assumption that

a. The commodity has no substitute	
b. Tastes, income and all other prices remain constant	
c. The average household consists of two persons	
d. Purchases of the commodity are made by a free market	

2. Bread and butter, lamb and mint sauce, illustrate the type of inter related demand known as

a. Rival demand	
b. Composite demand	
c. Competitive demand	
d. Joint demand	

3. Supply of a commodity is a

a. Stock concept	
b. A flow concept	
c. Both stock and flow concept	
d. None of these	

4. Economies of scale means

a. Reductions in unit cost of production	
b. Reductions in unit cost of distribution	
c. Addition to the unit cost of production	
d. Reduction in the total cost of production	

5. Average fixed cost

a. Increases as output increases	
b. Remains the same whatever the level of output	
c. Diminishes as output increases	
d. All the three are possible	

6. The vertical distance between TVC and TC is equal to

a. MC	
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b. AVC	
c. TFC	
d. None of these	

7. A firm enjoys maximum control over the price of its product under

a. Monopoly	
b. Perfect competition	
c. Oligopoly	
d. Imperfect Competition	

8. In the IS-LM model of income determination, an increase in the propensity to save leads to a

a. Rightward shift of the LM curve	
b. Rightward shift of the IS curve	
c. Leftward shift of the LM curve	
d. Leftward shift of the IS curve	

9. Keynes was most concerned with

a. Demand-pull inflation	
b. Cost-push inflation	
c. Structural inflation	
d. Stagflation	

10. Money is an asset. Its demand is determined along with the demand for all the other assets. This view has been held by

a. A. Marshall	
b. J. Tobin	
c. M. Friedman	
d. H. Johnson	

11. Circular flow of income in a two sector model implies

a. Payments from households to firms and back again	
b. Payments from firms to firms	
c. Payments from households to households	
d. Payments from households to firms	

12. A "refrigerator" operating in a chemist's shop is an example of

a. Intermediate good	
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b. Final good	
c. Producer's good	
d. Consumer's good	

13. 'Marginal labour' is defined under documents of 1991 census as those workers who obtain employment

a. Below 183 days in a year	
b. Below 91 days in a year	
c. Below 30 days in a year	
d. Not even a single	

14. Liquidity preference refers to

a. The extent to which investors prefer to keep their assets in money	
b. RBI's share holdings in other financial institutions	
c. Community's preference for gold	
d. Community's effective demand for capital goods	

15. Excess of ex-ante savings over ex-ante investment means that

a. Income will fall	
b. Income will rise	
c. Income will remain the same	
d. price will rise and inventories will accumulate	

## SECTION B: QUNTITATIVE METHODS

16. Which from the following set has closure property w.r.t addition ?

a. {0}	
b. {1}	
c. {1,1}	
d. {1,-1}	

17. The probability that an electronic device produced by a company does not function properly is equal to 0.1. If 10 devices are

bought, then the probability, to the nearest thousandth, that 7 devices function properly is

a. 0.057	
b. 0.478	
c. 0.001	
d. 0	

18. if

$$A = \begin{bmatrix} 2i & i \\ i & -i \end{bmatrix}$$

then  $|A| = ?$

a. 2	
b. 3	
c. 4	
d. 5	

19. The population of a country increased by an average of 2% per year from 2000 to 2003. If the population of this country was 2 000 000 on December 31, 2003, then the population of this country on January 1, 2000, to the nearest thousand would have been

a. 1 846 000	
b. 1 852 000	
c. 1 000 000	
d. 1 500 000	

20. The gradient of the graph defined by  $x-2y+5=0$  is

a. $M=1$	
b. $M=-1$	
c. $M=-1/2$	
d. $M=-2$	

21. When proving that a quadrilateral is a trapezoid, it is necessary to show

a. only one set of parallel sides.	
b. one set of parallel sides and one set of non-parallel sides.	
c. one set of parallel sides and one set of congruent sides.	
d. two sets of parallel sides.	

22. Find the radius of a circle whose diameter has endpoints  $(-3, -2)$  and  $(7, 8)$ .

a. 5	
b. $5\sqrt{2}$	
c. $(2,3)$	

d. $\sqrt{52}$	
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23. The sum of the percent frequencies for all classes will always equal

a. one	
b. the number of classes	
c. the number of items in the study	
d. 100	

24. If mean and coefficient of variation of a set of data is 10 and 5, then S.D. is

a. 10	
b. 50	
c. 5	
d. None	

25. Find the mode, median and mean of the following data.

15, 17, 16, 7, 10, 12, 14, 16, 19, 12, 16.

a. 16, 15, 14	
b. 15, 16, 17	
c. 16, 17, 18	
d. 14, 16, 18	

### SECTION C: REASONING

26. Which number replaces the question mark(?)

2	3
6	4
8	12
24	?

a. 16	
b. 20	
c. 22	
d. 21	

27. Ankit started walking towards North. After walking 30m, he turned towards left and walked 40m. He then turned left and walked 30m. He again turned left and walked 50m. How far is he from his original position?

a. 30m	
b. 40m	
c. 10m	

d. None of these	
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28. Six persons are sitting in a circle facing the circle. Parikh is between Babita and Narendra. Asha is between Chitra and Pankaj. Chitra is to the immediate left of Babita. Who is to the immediate right of Babita?

a. Parikh	
b. Pankaj	
c. Narendra	
d. Chitra	

29. Sailor is related to 'Ship' in the same way as 'Lawyer' is related to

a. Legal	
b. Law	
c. Court	
d. Ruling	

30. In a given code, **REASON** is coded as **621754**. **TRUTH** as **86983**. How is **TREASON** written in that code?

a. 7548261	
b. 8621754	
c. 7452861	
d. 2865614	

31. 4, 8, 16, 32, 64, ?

a. 128	
b. 65	
c. 66	
d. 67	

32. A, D, H, M, ?

a. P	
b. O	
c. R	
d. S	

33. Tea : Leaves :: Coffee: ?

a. Plant	
b. Leaves	
c. Beverage	
d. Seed	

34. Given numbers are 826, 807, 432, 587, 623

If two is added to the third digit of each

number, then which number is divisible by 4?

a. 826	
b. 807	
c. 432	
d. 587	

35. 206% of ? = 1040.3

a. 535	
b. 505	
c. 485	
d. 460	

## SECTION D: COMPREHENSION

**Read both the passages carefully and answer all the following questions:**

### **Passage 1**

J.M Keynes, the trendiest dead economist of this apocalyptic moment, was the godfather of government stimulus. Keynes had the radical idea that throwing money at recessions through aggressive deficit spending would resuscitate flat lined economies- and he wasn't too particular about where the money was thrown. In the depths of the Depression, he suggested that the Treasury could "fill old bottles with bank notes, bury them at suitable depths in disused coal mines" then sit back and watch a money mining boom create jobs and prosperity.

As President-elect Barack Obama prepares to throw money at the current downturn- a stimulus package starting at about \$800 billion plus the second \$350 billion chunk of the financial bailout -we all really do seem to be Keynesians now. Just about every expert agrees that pumping \$1 trillion into a depressed economy will rev up the ethereal goods and services engine that Keynes called "aggregate demand" and stimulate at least some short activity even if it was all wasted on money pits. But Keynes was also right that

there would be more sensible ways to spend it. Also there would be less sensible ways to spend it. A trillion dollars worth of bad ideas sprawl inducing highways and bridges to nowhere, ethanol plants and pipelines that accelerate global warming , tax breaks for overleveraged Mc Mansion builders and burdensome new long term federal entitlements would be worse than more waste. It would be smarter to buy every American an ipod , a set of Ginsu knives and 600 Subway foot longs.

36. John M Keynes was advocate of which of the following suggestions:-

a. Spending money recklessly during recessions is suicidal	
b. Exorbitant spending during recessions is likely to boost economy.	
c. Aggressive deficit spending is likely to be fatal for economic meltdown.	
d. Government stimulus to economy may not help because of red – tapism.	
e. None of these.	

37. Which of the following is TRUE about Keynes philosophy?

a. Actual spending money during meltdown is more important than where and what is spent	
b. Government should be selective in approach for spending money during recessions	
c. Filling old bottles with banknotes and burying them is an atrocious proposal	
d. Creating jobs and prosperity during recessions is almost impracticable proposal	
e. None of these	

38. The author of the passage calls Barack Obama and his team as 'Keynsians' because-

a. Barack Obama has been reluctant to follow Keynes philosophy	
b. His team is advising Barack to refrain from Keynes philosophy	
c. Barack Obama and his team have decided to fill old bottles with bank notes.	
d. Building houses has been under the active consideration of Barack obama and his team	
e. None of these.	

39. What according to Keynes is the 'aggregate demand'?

a. Goods and services sector	
b. Stimulation of a short term activity	
c. Attempting to rev up the sluggish economy	
d. Pumping one trillion dollars into economy	
e. None of these.	

40. Highways, bridges , ethanol plants etc are considered by the author as-

a. Reasonably appropriate propositions to spend money on	
b. Measures that affect the environment adversely	
c. Imprudent proposals to waste money on	
d. Tax saving schemes bestowed on builders	
e. None of these.	

## Passage 2

The current global food situation is very serious and hence we need to understand the reasons for such a dramatic increase in food prices in a short period. It is argued that increases in energy costs are resulting in cost push inflation but the contribution of energy

costs to overall costs in agriculture may not explain the huge increase in food prices.

Related to the current elevated energy prices, there has been a diversion of corn and edible oils to bio fuels, which is significantly influenced by policy mandates. Very clearly, this diversion to bio fuels is a policy induced new reality, which coincided with price escalation in precisely those products and hence is noteworthy.

The financialisation of commodity trade and current extraordinary conditions in the global market could have influenced the spurt in prices. The recent reductions in interest rates in the US and the injection of liquidity have resulted in investors seeking new avenues such as commodity markets, in view of the turbulence in financial markets and the low returns in treasuries. The relatively easy liquidity and the low interest rates, by themselves make holding of inventories attractive and thus induce greater volatility in commodity markets. The weakening of the US dollar is also advanced as a reason for the recent volatility in commodity markets including food items.

In brief, while there is demand and supply side pressures on food items, there is considerable merit in the argument that the recent increase in prices are closely linked to public policy responses to high energy costs in advanced economies. It is said that the impact of such policy induced diversion of food to bio fuels is significant. At the same time, there is general consensus that public policy in regard to food in many economies around the world has not provided adequate incentives to farmer's to increase the supply of food and others agricultural products to comfortably match the growing demand.

41. The passage lays emphasis on which of the

following central theme(S)?

- A) The abysmally throwaway prices offered for food commodities
- B) The worldwide acute shortage of food commodities.

C) Promoting the use of bio-fuel

a. Only A	
b. Only B	
c. Only C	
d. All three	
e. None of these.	

42. In what way are bio- fuels responsible for increasing cost of food?

- (A) It is a policy mandate to use bio-fuel in place of petroleum products, especially in developing countries.  
 (B) Certain essential food commodities are being used for manufacturing alternative fuels  
 (C) The low cost of bio fuels has created fluctuation in prices of other agricultural commodities

a. Only A	
b. Only B	
c. Only C	
d. A&B	
e. None of these.	

43. Which of the following situations have prompted investors to look forward towards Commodity market

- A) Dip in rates of interest in US  
 B) Easy liquidity  
 C) Volatility in Commodity prices

a. A & B Only	
b. B & C	
c. A & C	
d. All three	
e. None of these.	

44. Which of the following shows a cause effect relationship between its two components?

a. Reduction in interest rates and abundance of food commodities	
b. Reduction in energy prices and increase in food commodity prices	
c. Turbulence in financial markets and escalation in production of Food commodities	
d. Dipping of US dollar and Volatility in Commodity	

markets	
e. None of these.	

45. Which of the following can be thought of as a measure to remedy the global situation mentioned in the passage?

- A) Reducing the production of cars and thereby the demand for energy.  
 B) Inducing farmers to increase their food and other agricultural produce  
 C) Increasing prices of food items to compensate farmers for their losses.

a. Only A	
b. Only B	
c. Only C	
d. Only A&B	
e. None of these.	

**SECTION E: GENERAL AWARENESS**

46. Very often we read about Special Economic Zones in newspapers. What is the purpose of promoting these SEZ's in India? What is the purpose:

- (A) To promote Exports  
 (B) Attract Investments from Foreign countries  
 (C) To help the poorest of the poor as these zones are reserved.

a. Only A	
b. Only B	
c. Only C	
d. Both A&B	
e. None of these.	

47. The reserves that commercial banks are required to keep with RBI in the form of cash is known as:

a. SLR	
b. CRR	
c. Liquidity Ratio	
d. Net demand & Time liability Ratio	
e. None of these.	

48. The Govt of India has decided to declare which of the rivers as National River:

a. Brahmaputra	
b. Yamuna	
c. Ganga	
d. None of these	

e. Kaveri	
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49. According to Rangarajan Committee, any person earning less than \_\_\_\_\_ would be considered as poor against Rs 33 (Tendulkar's Committee)

a. 38	
b. 42	
c. 46	
d. 47	
e. 52	

50. Prime Minister Narendra Modi recently launched a scheme to promote the female education and to reduce the mental illness of female foeticide. Which bank accounts were launched as twin program at the same time?

a. Kanya Samridhi account	
b. Kanya jeewan ayog account	
c. Sukanya Samridhi account	
d. Sukanya Sukriti account	
e. Kanya Vidya dan account	

51. Which of these two programmes are parts of National Social Assistance Programmes of Govt of India?

- (A) Indira Awas Yojana & Pradhan Mantri Gram Sadak Yojana  
(B) National Food for Work & Mid day Meal Scheme  
(C) National Old Age Pension & Family Benefit Scheme

a. Only A	
b. Only B	
c. Only C	
d. Either A or B	
e. None of these.	

52. Which of the following committees has given its recommendations on "Financial Inclusion"?

a. Rakesh Mohan Committee	
b. Sinha Committee	
c. Kelkar Committee	
d. Rangarajan Committee	
e. None of these.	

53. The maximum amount of revenue earned by government of India comes from-

a. Income tax	
b. Excise duty	
c. Corporate taxes	

d. Value added tax	
e. Custom Duty	

54. It is generally believed that the main objective of a public sector financial company is to-

a. Employ more & more people	
b. Maximise total profits	
c. Maximise total Production	
d. Provide financial service to the people of the nation	
e. Sell the goods at subsidized cost.	

55. When the prices of commodities , goods and services start declining consistently, the phenomenon is known as –

a. Discount yield	
b. Negative growth	
c. Deflation	
d. None of these	
e. Inflation	

56. Which of the following products launched by most of the banks helps farmers in getting instant credit for various agricultural purposes?

a. Agriculture Credit Card	
b. Kisan Credit Card	
c. Debit Card	
d. Credit Card	
e. Swipe Card	

57. Many times we see in newspapers that some projects are launched by the Govt. Authorities on PPP basis. What is the full form of PPP?

a. Preferential Payment Plan	
b. Public Private Partnership	
c. Public Private Plan	
d. Partial Public Project	
e. Popular Public Project	

58. SSA scheme is to promote-

a. Compulsory higher education	
b. Universalisation of education to all	
c. Compulsory education for children, only below poverty line	
d. None of these	
e. Either (B) or (C)	



59. Service tax in the present Budget 2015 is increased to-

a. 12%	
b. 13%	
c. 14%	
d. 13.8%	
e. 15%	

60. In the present context of socio economic development, the concept of “meeting needs of Present without compromising future needs” is the popular concept of-

a. Uniform Growth	
b. Social Growth	
c. Target driven Growth	
d. Social Viability	
e. None of these	

61. \_\_\_\_\_ has been declared to celebrate as an International Yoga day.

a. 28 <sup>th</sup> July	
b. 21 <sup>st</sup> June	
c. 29 <sup>th</sup> May	
d. 23 <sup>rd</sup> April	
e. None of these	

62. PMJDY a scheme launched by Prime Minister got a business of opening \_\_\_\_\_ number of Accounts on the very first day of the scheme.

a. 15 Crores	
b. 5 Crores	
c. 10 Crores	
d. 8 Crores	
e. None of these	

63. World Bank has its headquarters situated in

a. United Kingdom	
b. Germany	
c. India	
d. United States	
e. None of these	

64. Who is the present Finance Minister of India?

a. R.N Shanmukham Chetty	
b. P. Chidambaram	
c. Dr. Manohan Singh	
d. Pranab Mukharjee	
e. None of these	

65. The Indian army carried out operation in Myanmar against which organization recently-

a. NSCN(K)	
b. NSCP(K)	
c. NCNS(K)	
d. NCPC(K)	
e. None of these	

66. The World Development Report is published every year by

a. Asian Development bank	
b. World Bank	
c. International Monetary Fund	
d. United Nations Organisation	
e. None of these	

67. What is the full form of RIDF?

a. Rural India Development Forum	
b. Rural Infrastructure Development Fund	
c. Research and Industrial Development Forum	
d. Research and Industrial Development Fund.	
e. None of these	

68. Micro credit or micro finance is a novel approach to banking with the poor. In this approach bank credit is extended to the poor through-

a. Anganwadis	
b. RBI	
c. SIDBI	
d. Self Help Groups	
e. Cooperative Credit Societies	

69. Which of the following is/are the major problems of rural indebtedness?

- A) The Indian farmer borrows year after year but is not in a position to clear off his debts.
- B) The size of the loans taken by the Indian farmer is too large whereas his agricultural output is not large enough to pay off his debt.
- C) Most of the farmers are still taking loans from informal sources at a high rate of interest.

a. Only A	
b. Both A & B	
c. Both B and C	
d. All A, B & C	
e. None of these	

70. The famous book “The Wealth of Nations” is written by

a. J.M.Keynes	
b. Karl Marx	
c. K.Paul	
d. R.Rodan	
e. Adam Smith	

71. Which of the following is not true about NREGA

- A) It is the first rural guarantee act for rural areas
- B) It is available in all the districts now
- C) It was initially for Rs.100 per day now increased to Rs.150

a. Only A	
b. Only B	
c. Only C	
d. All	
e. None	

72. MC Marykom won the gold medal for India in international sport event is basically a

a. Table Tennis Player	
b. Marathon Runner	
c. Badminton Player	
d. Golfer	
e. Boxer	

73. Swachh Bharat Abhiyana was launched by our Prime Minister on

a. 2nd June 2014	
b. 2nd October 2013	
c. 15 <sup>th</sup> August 2014	
d. 26 <sup>th</sup> January 2015	
e. None of these	

74. Which of the following is not a North Eastern State?

a. Uttarakhand	
b. Mizoram	
c. Sikkim	
d. Jharkhand	
e. None of these	

75. Who amongst the following became the first woman pilot in the world to fly MIG\_35 fighter plane?

a. Suman Sharma	
b. Saudamini Deshmukh	
c. Kirsty Moore	
d. Nicole Malachowski	
e. None of these	