

**TEACHERS RECRUITMENT BOARD, CHENNAI - 6**  
**WRITTEN COMPETITIVE EXAMINATION FOR DIRECT RECRUITMENT OF**  
**POST GRADUATE ASSISTANTS ( 2000-2001)**

1. "The National Income consists of a collection of goods & services reduced to a common basis by being measured in terms of money" Who said this?

- a) J.R. Hicks
- b) J.M. Keynes
- c) Fisher
- d) None of these

2. The Planning Commission has estimated that in 1979- 80, the people lived below the poverty line is

- a) 43.5%
- b) 45.7%
- c) 48.4%
- d) 41.4%

3. Disguised unemployment means

- a) the marginal productivity of the marginal men is zero
- b) the marginal productivity of the marginal men is more
- c) the marginal productivity of the marginal men is less
- d) none of these

4. According to Friedman the demand for money is determined by

- I. the general price level
- II. the total output of goods & services in the economy
- III. the rate of interest
- IV. the rate of increase in the general price level

Choose the correct answer from the following:

- a) I alone is correct
- b) II alone is correct
- c) III alone is correct
- d) all of these are correct

5. "The Liquidity Trap" means

- a) the speculative demand for money is perfectly elastic
- b) the rate of interest can fall to zero
- c) the rate of interest cannot fall to zero
- d) (A) & (C)

6. Five major cause for the growth of population in India is

- I. high birth rate
- II. grinding poverty
- III. early marriage of women
- IV. higher illiteracy rate in rural areas

Choose the correct answer from the following:

- a) all statements are correct
- b) all statements are incorrect
- c) statements I and II are correct
- d) statements IV alone is correct

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**7. Non-conventional source of energy is**

- a) Wind
- b) Petrol
- c) Coal
- d) Oil

**8. The Chairman of the State Planning Commission of Tamil Nadu is**

- a) the Governor
- b) the Chief Minister
- c) the Speaker
- d) the Chief Secretary

**9. Three methods of computing National Income are**

- a) production, outlay and income methods
- b) saving, investment & income methods
- c) production, depreciation & income methods
- d) none of these

**10. National Income in India is calculated with the help of**

- a) Income method
- b) Output method
- c) Expenditure method
- d) Income & output method

**11. The Eighth Five Year Plan's public sector outlay was**

- a) Rs. 1,80,000 cr.
- b) Rs. 22,00,000 cr.
- c) Rs. 3,61,000 cr.
- d) Rs. 4,34,100 cr.

**12. Economic growth can be felt through**

- a) increasing rate of capital formation
- b) widening of market
- c) innovations of technological change
- d) all of these

**13. What is the Economic importance of the period 1929-32?**

- a) Nation-wide Poverty
- b) Uruguay Round
- c) Dunkel Draft
- d) Great Depression

**14. Bank Rate is**

- a) concessional rate of interest on Loans
- b) differential rate of interest
- c) the rate at which the Central Bank rediscounts bills
- d) interest rate charged by Nationalised Banks

**15. "Lead Bank Scheme" was started in the year**

- a) 1970
- b) 1975
- c) 1978
- d) 1969

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**16. Adam Smith is known as “Father of Economics” because**

- a) he is the founder of Classical School
- b) he emphasizes production and expansion wealths
- c) he introduced the concept of division of labour
- d) he published his book “Wealth of Nations”

**17. Micro-Economics deals primarily with**

- a) comparative statics, partial equilibrium, positive economics
- b) general equilibrium
- c) equilibrium
- d) dynamics

**18. Elasticity of supply is**

- a) the responsiveness of the quantity supplied to a change in price
- b) supply over demand
- c) supply less to demand
- d) none of these

**19. Discriminating monopoly is possible if two markets have**

- a) rising cost curve
- b) declining cost curves
- c) different elasticity of demand
- d) equal demand

**20. The essential features of monopolistic competition are product differentiation existence of many firms and**

- a) free entry and exit
- b) no substitute
- c) both (A) & (B)
- d) none

**21. The ‘Indifference map’ is drawn only when**

- a) prices of the commodities are given
- b) income of the consumer is given
- c) taste and preference of the consumer are given
- d) none of these

**22. Total fixed cost is a**

- a) Horizontal straight line
- b) Vertical straight line
- c) Convex to origin
- d) Concave to origin

**23. In the long run equilibrium a competitive firm earns**

- a) super normal profit
- b) profits equal to other firms
- c) normal profit
- d) no profit

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24. "Profit is the wages of the entrepreneur which accrues to him on account of his special ability" Who said this?
- Clark
  - Schumpeter
  - Taussig
  - None of them
25.  $MC = MR = AC = AR$  shows the long run equilibrium of the
- competitive firm
  - oligopolist firm
  - monopolist firm
  - none of these
26. According to the marginal productivity theory of distribution the payment made for the service of factors of production is equal to its
- average productivity
  - marginal productivity
  - total productivity
  - all of these
27. Schumpeter is an
- Austrian Economist
  - English Economist
  - Italian Economist
  - none
28. In Cobb-Douglas production function  $Q = K^a C^b L^c$  where C stands for
- Land
  - Quantity of Labour
  - Capital
  - Wage to Labour
29. The consumer's surplus arises because
- consumer has lot of money
  - quality of different units of the same commodity differs
  - many later units pull down the market value
  - market is not perfect
30. An indifference curve shows
- combination of commodities X and Y with equal quantities
  - combination of commodities X and Y with each commodity giving equal satisfaction
  - combination of commodities X and Y with each combination giving equal satisfaction
  - none of these
31. The following are the objectives of Fiscal Policy:
- Attainment of full employment
  - Increasing the efficiency of productive resources
  - Minimising the inequalities of income & wealth
  - Maintenance of price stability
- Choose the correct answer from the following:
- I, II & III are correct
  - I alone is correct
  - I and II are correct
  - all are correct

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**32. Special Drawing Rights came into force in**

- a) 1965
- b) 1970
- c) 1972
- d) none of these

**33. Liquid assets held by individual & firm is**

- a) near money
- b) soft money neutral money
- c) narrow money
- d) none of these

**34. The income tax on the net profits of joint stock companies is called**

- a) Gift Tax
- b) Capital Gains Tax
- c) Corporation Tax
- d) None of these

**35. Permanent debt is also called**

- a) Floating Debt
- b) Foreign Debt
- c) Currency Loans
- d) Internal Debt

**36. In Public Finance, progressive rate of tax was based on**

- a) law of variable proportions
- b) law of substitution
- c) law of demand
- d) law of diminishing marginal utility

**37. Permanent Debt consists**

- a) loans raised in the open market
- b) compensation and other Bonds
- c) 15 year Annuity Deposit Certificates
- d) all of these

**38. If the Loans have been raised for productive purposes, such a debt is**

- a) Self Liquidating
- b) International Liquidity
- c) Liquidity Preference
- d) None of these

**39. The Public Debt in India has been beneficial in the following ways:**

- I. It has helped in Agricultural and Industrial Development
- II. It has helped raising of National Income and output
- III. It has helped in raising of standard of living of people
- IV. It has helped India to modernise army

**Choose the correct answer from the following:**

- a) I and II are correct
- b) II and III are correct
- c) I and IV are correct
- d) All are correct

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**40. Fiscal Policy assumed great importance after the**

- a) World War I
- b) World War II
- c) Great Depression of 1930's
- d) None of these

**41. The incidence of tax refers to**

- a) the level and rate of taxation
- b) who ultimately pays the tax
- c) the growth of taxation
- d) the way in which tax is collected

**42. The Raj Committee Reporting in 1972 recommended erodical changes in**

- a) Income Tax
- b) Wealth Tax
- c) Sales Tax
- d) Land Tax

**43. Estate Duty was abolished in the budget for**

- a) 1980-81
- b) 1982-83
- c) 1985-86
- d) 1975-76

**44. The chief heads of Central Revenue Expenditure are**

- a) Defence Services
- b) Development Services
- c) Administration Services
- d) All of these

**45. Gift Tax was introduced for checking the evasion of**

- a) Expenditure Tax
- b) Corporation Tax
- c) Capital Gains Tax
- d) Estate Duty

**46. The underemployment condition which persists for a long period is called**

- a) stagflation
- b) disinflation
- c) secular stagnation
- d) none of these

**47. According to Friedman the Quantity theory is mainly a theory of**

- a) supply of money
- b) demand for money
- c) both (A) & (B)
- d) none of these

**48. The liquidity preference is determined by the**

- a) transaction motive
- b) precautionary motive
- c) speculative motive
- d) all of these

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**49. Phillips studied the empirical relationship between**

- a) unemployment and the rate of change in money wages
- b) unemployment and the rate of interest
- c) full employment and the rate of change in money wages
- d) none of these

**50. In the Eighth Plan (1992-97) the proposed out-lay on Irrigation was**

- a) Rs. 32,525.3 cr.
- b) Rs 22,525.3 cr
- c) Rs. 12,525.3 cr.
- d) Rs. 42,525.5 cr.

**51. The quotas of International Monetary Fund were fixed on the following basis.**

- I. 2% of National Income
- II. 5% of gold and dollar reserves
- III. 10% of average annual imports
- IV. 10% of maximum variation to annual exports

**Choose the correct answer from the following:**

- a) I and II are correct
- b) III and IV are correct
- c) I, II and III are correct
- d) All are correct

**52. Revealed preference hypothesis is based on**

- a) weak ordering
- b) neutral ordering
- c) strong ordering
- d) none of these

**53. The stagflation refers to co-existence of**

- a) inflation and unemployment persistence
- b) inflation and food problems
- c) deflation and unemployment
- d) none of these

**54. The International Bank for Reconstruction and Development is popularly known as**

- a) American Bank
- b) Central Bank
- c) World Bank
- d) None of these

**55. Keynes believed that the rate of interest was determined by the interaction of**

- a) savings and investment
- b) demand and supply of capital
- c) liquidity preference and supply of money
- d) none of these

**56. Narasimhan Committee on the banking system in India submitted its report in**

- a) 1990
- b) 1991
- c) 1992
- d) 1995

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**57. In Fisher's equation of Exchange  $MV = PT$  where 'V' stands for**

- a) value of money
- b) velocity of circulation of money
- c) both (A) & (B)
- d) none of these

**58. Modern Quantity Theorists led by**

- a) Friedman
- b) Marshall
- c) Malthus
- d) Ricardo

**59. "Our present troubles are not of a Monetary Character" are the words of**

- a) Hicks
- b) Keynes
- c) Friedman
- d) J.S. Mill

**60. The objectives of monetary policy will be**

- a) full employment
- b) price stability
- c) stability of foreign exchange rate
- d) all of these

**61. In Tamil Nadu, the Sainik School is located in**

- a) Coimbatore
- b) Salem
- c) Tiruchirapalli
- d) Kanyakumari

**62. The Sergeant Report of 1944 insisted on the establishment of**

- a) Pre-Primary schools
- b) Primary schools
- c) Vocational schools
- d) Public schools

**63. The University at Thanjavur offers exclusive courses in**

- a) Computers
- b) Tamil literature
- c) Oriental languages
- d) all subjects

**64. 'Tachistoscope' is used to measure**

- a) Span of Attention
- b) Span of Learning
- c) Span of Forgetting
- d) Span of Teaching

**65. Pavlov propounded the theory of**

- a) classical conditioning
- b) operant conditioning
- c) general conditioning
- d) none of these

**WIN ACADEMY - (PGTRB) ECONOMICS COACHING CENTRE - KUMBAKONAM****ECONOMICS STUDY MATERIALS****CELL: 9486474777****66. DTERT is expanded as**

- a) Directorate of Teaching, Education, Research and Training
- b) Directorate of Teacher Education, Research and Training
- c) Distance Teaching, Education, Research and Training
- d) Distance Teacher Education and Re-Teaching

**67. The theory on 'Hierarchy of Needs' was propounded by**

- a) Abraham Maslow
- b) Jean Piaget
- c) Bertrand Russell
- d) McLeland

**68. Formula to calculate Intelligence Quotient is**

- a)  $IQ = \frac{MA}{CA} \times 100$
- b)  $IQ = \frac{MA}{CA} \times 100 \pm 5$
- c)  $IQ = \frac{CA}{MA} \times 100 \pm 5$
- d)  $IQ = \frac{CA}{MA} \times 100$

**69. Frederick J. McDonald established**

- a) Sainik Schools
- b) Community Schools
- c) Mobile Schools
- d) Public Schools

**70. The Floating University (S.S. Universe) visited the Madras Harbour in the year**

- a) 1977
- b) 1978
- c) 1979
- d) 1980

**71. The New Educational Policy of 1986 was implemented by**

- a) A) Indira Gandhi
- b) Rajiv Gandhi
- c) Mahatma Gandhi
- d) None of them

**72. "India's destiny is shaped in her classrooms" was the initial statement found in the report of the'**

- a) Kothari Education Commission
- b) Indian Education Commission
- c) Sampoorananda Committee
- d) Malcom Adishesaiya's Committee

**73. Navodaya Schools are managed by**

- a) the State Governments
- b) the Central Government
- c) Private Authorities
- d) both Central and State Governments

**74. The present system of education is**

- a) child centered
- b) subject centered
- c) teacher centered
- d) all of these

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- a) more control
- b) less control
- c) no control
- d) full power

**76. In the word 'Personality' Persona means**

- a) the physical features of the actor
- b) the actor
- c) the mask worn by the actor
- d) the dress worn by the actor

**77. The child's first Teacher is**

- a) the Pre-primary Teacher
- b) the primary Teacher
- c) the Parent
- d) the society

**78. The book titled "Education for a Better Social Order" was written by**

- a) Rousseau
- b) Russell
- c) Maslow
- d) Aurobindo

**79. "Education should be aimed at the grass root level of any nation" - This slogan was stressed by**

- a) Nehru
- b) Abul Kalam Azad
- c) Gandhi
- d) Montessori

**80. Diversified curriculum at the Higher Secondary level was implemented in the year**

- a) 1947
- b) 1951
- c) 1968
- d) 1978

**81. The concept of income multiplier or investment multiplier was developed by**

- a) Fisher
- b) Keynes
- c) J.B. Say
- d) None of them

**82. The headquarters of the I.M.F. is located at**

- a) Washington
- b) Geneva
- c) Rome
- d) Prague

**83. The Primary objective of Macro-Economic Policies is**

- I. Full employment
- II. Price stability
- III. Economic growth
- IV. Regional Development

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Choose the correct answer from the following:

- a) I, II & III are correct
- b) II & III are correct
- c) I & IV are correct
- d) all are correct

**84. The Concept of Acceleration is associated with the name of**

- a) J.M. Clerk    b) J.B. Say    c) Marshall    d) None of them

**85. The Union Budget for 1999-2000 was presented by**

- a) Yashwant Sinha
- b) Manmohan Singh
- c) P.Chidambaram
- d) None of them

**86. IS curve explained the relationship between**

- a) A savings schedules & investment schedules
- b) income schedules & saving schedules
- c) investment schedules & supply of money schedules
- d) none of these

**87. Investment in the Keynesian sense means an addition to real capital assets such as**

- I. Construction of New Factories
- II. Buildings
- III. Plants
- IV. Roads

Choose the correct answer from the following:

- a) I & II are correct
- b) I & III are correct
- c) III & IV are correct
- d) all of these

**88. The marginal efficiency of capital is determined by**

- a) the supply price of Capital Assets
- b) the prospective yield from Capital Assets
- c) both (A) & (B)
- d) none of these

**89. The basic Keynesian concept of effective demand was given by**

- a) Malthus    b) Ricardo    c) Say    d) None of them

**90. Keynes theory of employment is often referred to as**

- a) the New Economics
- b) the Old Economics
- c) both (A) & (B)
- d) none of these

**91. S.D.R. is adopted for**

- a) reducing international liquidity
- b) increasing international liquidity
- c) promoting exports only
- d) promoting imports only

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**92. Father of Macro-Economics is**

- a) Pareto
- b) J.B. Say
- c) J.S. Mill
- d) J.M. Keynes

**93. Marginal efficiency of capital refers to the**

- a) expected rate of profit
- b) expected rate of investment
- c) expected rate of interest
- d) none of these

**94. Multiplier is the ratio expressing the relationship between**

- a) increase in National Income and the increase in investment
- b) increase in savings and increase in investment
- c) increase in investment and increase in output
- d) none of these

**95. The L.M. Curve shows the combination of**

- a) level of income & money supply
- b) liquidity preference schedule and supply of money schedule
- c) loanable fund schedule and supply of money schedule
- d) none of these

**96. Who was the first President of the Republic India?**

- a) Dr. Rajendra Prasad
- b) Dr. Rajagopalachari
- c) Dr. Radhakrishnan
- d) V.V. Giri

**97. What is a light year?**

- a) A kind of year
- b) A measure of time
- c) A measure of distance
- d) The distance travelled by light in a year.

**98. "Kalingathu Parani" was written by**

- a) Kambar
- b) Jeyankondar
- c) Sekkilar
- d) Avvaiyar

**99. Raja Raja Chola built**

- a) Gangaikonda Cholapuram
- b) Brihadeeswara Temple
- c) Meenakshi Temple
- d) Mahabalipuram Shore Temple

**100. Marathon Race is**

- a) 26 miles and 385 yards
- b) 21 miles and 385 yards
- c) 32 miles and 385 yards
- d) 19 miles and 385 yards