

TEACHERS RECRUITMENT BOARD, CHENNAI - 6
WRITTEN COMPETITIVE EXAMINATION FOR DIRECT RECRUITMENT OF
POST GRADUATE ASSISTANTS (2005-2006)

1. **Total external debt servicing is the sum of**
 - a) Amortization
 - b) Interest payments
 - c) Amortization and Interest payments
 - d) None of these.

2. **Budgetary policies are stated in the**
 - a) finance act of the given year
 - b) credit schemes
 - c) financial statements
 - d) none of these.

3. **Fiscal deficit is compared as**
 - a) total receipts minus total expenditure
 - b) total revenue receipts minus revenue expenditure
 - c) revenue deficit minus interest payments
 - d) total expenditure minus the sum of revenue receipts, recoveries of loans and other receipts.

4. **Value Added Tax is introduced to replace**
 - a) Excise Duties
 - b) Customs Duty
 - c) Sales Tax
 - d) None of these.

5. **Which of the following must not be given subsidies ?**
 - a) Merit goods
 - b) Social goods
 - c) Non-merit goods
 - d) None of these.

6. **Decision making forms an integral part of**
 - a) planning
 - b) Co-ordinating
 - c) evaluating
 - d) researching.

7. **If a value helps in the achievement of certain end or purpose, that value is called**
 - a) instrument value
 - b) inherent value
 - c) intrinsic value
 - d) inducive value.

8. **Education related to the needs of the people and the improvement of their socio-economic status is known as**
 - a) adult education
 - b) functional education
 - c) vocational education
 - d) environmental education.

9. **Many problems in India are due to**
 - a) poverty
 - b) overpopulation
 - c) indifferent attitude towards environment
 - d) ignorance of people.

10. **The application of the principle of distributive justice in respect of good education is called as**
 - a) social education
 - b) education for women's equality
 - c) same education for all
 - d) equalisation of educational opportunities.

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11. Which one of the following accounts for a major share of power generation in India ?

- a) Thermal
- b) Hydel
- c) Nuclear
- d) Renewable source.

12. Agricultural production in India was increased by

- a) Green Revolution
- b) Blue Revolution
- c) White Revolution
- d) None of these.

13. Which of the following is an Employment Guarantee Scheme ?

- a) RLEGP
- b) PMRY
- c) NREP
- d) PMGSY.

14. Parallel Economy in India refers to

- a) public and private sectors
- b) operations of those who have black money
- c) organized and unorganized sectors
- d) none of these.

15. Import substitution results in

- a) self-reliance
- b) Export growth
- c) development of technical skills
- d) all of these.

16. Industrial sickness is tackled by

- a) BIFR
- b) ICICI
- c) ECGC
- d) None of these.

17. Anti-poverty programmes were started during

- a) Third Plan
- b) Fourth Plan
- c) Fifth Plan
- d) Ninth Plan.

18. The period during which there were no five year plans, but only annual plan, was

- a) 1966 - 69
- b) 1947 - 51
- c) 1991 - 93
- d) 1993 - 96

19. Economic reforms in India are implemented through

- a) planning
- b) liberalization
- c) foreign loans
- d) decentralisation.

20. Nationalisation of commercial banks came into effect in

- a) 1969
- b) 1975
- c) 1980
- d) 1990.

WIN ACADEMY - (PGTRB) ECONOMICS COACHING CENTRE - KUMBAKONAM**ECONOMICS STUDY MATERIALS****CELL: 9486474777****21. Which of the following decides the criteria for devolution of funds from Centre to States ?**

- a) Planning Commission
- b) Public Accounts Committee
- c) Finance Commission
- d) Taxation Committee.

22. Which of the following is a Central Government tax ?

- a) Service tax
- b) Sales tax
- c) Profession tax.
- d) Stamp duty.

23. Indian Economy's basic characteristic is the

- a) development of IT industry
- b) growth in urbanisation
- c) accumulation of foodgrains stock
- d) mass poverty.

24. Jobless growth in India exists because

- a) rate of growth of employment is equal to the rate of growth of labour force
- b) overall rate of growth of employment is less than the rate of growth of GOP.
- c) downsizing by firms
- d) increase in wages.

25. The share of the primary sector in the GDP is

- a) rising
- b) declining
- c) constant
- d) none of these.

26. "A candle that stops burning can never light another candle." It is said by

- a) Jawaharlal Nehru
- b) Tagore
- c) Swami Vivekcinanda
- d) Dr. Radhakrishnan.

27. The emigration of talented trained persons is known as

- a) brain drain
- b) exploitation of experts
- c) brain storming
- d) individual's interest.

28. The salient feature of Gandhian concept of basic education is

- a) self-realising
- b) self-supporting
- c) self-learning
- d) job-oriented.

29. The first essential thing that promotes National Integration is to

- a) Celebrate national days
- b) teach comparative religion
- c) arrange national integration camps
- d) bring out emotional integration.

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- a) democratic
- b) scientific
- c) sociological
- d) increased literacy rate.

31. Which of the following is a cause for small size of land holdings in India?

- a) land for cultivation is less
- b) rural indebtedness
- c) law of inheritance
- d) all of these

32. Agricultural credit is managed by

- a) IDBI
- b) NABARD
- c) RBK
- d) Nationalised Banks.

33. Quality of agricultural commodities is given by

- a) ISO 9001
- b) ISI
- c) AGMARK
- d) None of these.

34. Regulated markets are set up because

- a) supply of commodities has to be regulated
- b) warehousing facility is to be provided
- c) malpractices in trade have to be curtailed
- d) commodities have to be made available at cheaper rates

35. Bonded labour is due to

- a) contractual obligations
- b) money lender's exploitation
- c) high wages
- d) low wages.

36. Human Rights education aims at

- a) creating awareness of human rights and ways to practise them
- b) equipping the citizens to fight for their rights
- c) protect the poor and socially deprived people
- d) establishing protection homes for women and children.

37. A woman is said to play a dual role because

- a) she is a mother and a wife
- b) she is a wife and a daughter-in-law
- c) she rules as well as serves
- d) she is a home maker as well as a bread winner.

38. A good leader is one who

- a) receives involuntary co-operation from followers
- b) acts according to the wishes of the followers
- c) is always punctual
- d) takes delayed decisions.

39. Guidance in education is a process of

- a) allocation of round pegs to round holes
- b) diagnosis and prognosis
- c) testing and appraisal of pupil
- d) orientation of pupils towards social expectations.

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- a) develop social change alone
- b) improve the standard of living
- c) create social awareness and develop social change
- d) eradicate illiteracy.

41. World Environment Day” is observed on

- a) June 5
- b) July 10
- c) December 8
- d) March 8.

42. The first state in India to implement “Panchayat Raj” System was ,

- a) Punjab
- b) Rajasthan
- c) Tamil Nadu
- d) Gujarat.

43. What is the chemical name for “Baking Soda”?

- a) Sodium carbonate
- b) Sodium bicarbonate
- c) Sodium nitrite
- d) Sodium nitrate.

44. The vitamin which helps in “Clotting of Blood” is

- a) A
- b) D
- c) E
- d) K.

45. The Chief Justice of India is

- a) R.C. Laholi
- b) Subhashan Reddy
- c) G.B. Pattanaik
- d) A.R. Lakshmanan.

46. Which plan advocated development of heavy industries ?

- a) Second Five Year Plan
- b) Fourth Five Year Plan
- c) Ninth Five Year Plan
- d) First Five Year Plan.

47. Growth of Industrial Output, is shown by

- a) wholesale price index
- b) cost of living index
- c) index of industrial production
- d) state domestic product

48. Public sector undertakings are predominantly

- a) consumer goods industries
- b) intermediate goods industries
- c) heavy and basic industries
- d) none of these.

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49. Development of steel industry is function of

- a) GAIL
- b) SAIL
- c) SIDBI
- d) CIL.

50. In “disguised unemployment”, marginal productivity of labour is

- a) equal to 0
- b) greater than 0
- c) less than 0
- d) equal to 1.

51. Which of the following variables affect the demand side of public expenditure ?

- a) Distribution of income
- b) Scale of production of government service
- c) Inter-government grants
- d) None of these.

52. Progressive expenditure causes

- a) benefits to increase at a faster rate as income increases
- b) benefits to decrease at a faster rate as income increases
- c) benefits increase at the same rate as income increases
- d) none of these.

53. Which one of the following is a method of redemption of Public Debt?

- a) Sinking fund
- b) open market operation
- c) waiver of loans
- d) none of these

54. What are the types of Internal Public Debt of Government of India ?

- a) Funded Debt
- b) Outstanding liabilities
- c) Floating Debt
- d) All of these.

55. Deficit financing Is done through

- a) borrowing from the central bank
- b) running down of cash balances
- c) issue of new currency
- d) all of these.

56. Which one of the following would you not deduct from national income to calculate personal disposable income ?

- a) direct taxes
- b) national insurance contributions
- c) undistributed profits
- d) indirect taxes.

57. What is the marginal propensity to save ?

- a) the amount saved out of a given income
- b) the amount saved out of a given increase in income
- c) the average amount saved
- d) the marginal amount saved.

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58. Real Balance Effect was introduced by

- a) Don Patirikin
- b) J. M. Keynes
- c) A.C. Pigou
- d) Alfred Marshall.

59. Liquidity preference is determined by

- a) transaction motive to hold money
- b) precautionary motive
- c) speculative motive
- d) all of these.

60. The concept of effective demand is used in

- a) Keynesian theory
- b) Classical theory
- c) Neo-classical Economic theory
- d) None of these.

61. WTO is set up to resolve

- a) trade-related disputes
- b) labour standards
- c) patent disputes
- d) none of these.

62. Double taxation refers to

- a) Two-stage tax system
- b) Taxing the same base in more than one way
- c) Value Added Tax
- d) none of these.

63. Merit goods are those of which

- a) consumption must be encouraged by the state
- b) subsidy payments are made
- c) budgetary provisions are made
- d) all of these.

64. If the demand for a commodity is perfectly elastic, the tax burden will be

- a) on the seller
- b) on the buyer
- c) on the producer
- d) none of these.

65. Standard deduction is used to calculate

- a) Sales tax
- b) Dividend tax
- c) Income tax
- d) None of these.

66. Marginal efficiency of capital is

- a) current yield
- b) prospective yield
- c) replacement expenditure
- d) none of these.

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67. In the classical macro - economic output is

- a) supply determined
- b) demand determined
- c) productivity determined
- d) none of these.

68. Classical Quantity Theory of Money describes

- a) income velocity of money
- b) transactions velocity of money
- c) equiproportionate relationship between money supply and prices
- d) none of these

69. Keynesian consumption function considers

- a) absolute income
- b) relative income
- c) permanent income
- d) all of these.

70. Liquidity trap means a state of

- a) excess money supply
- b) capital losses on bonds
- c) higher interest rates
- d) none of these

71. Ad valorem tariffs are taxes levied as a fraction of

- a) the Value of imports
- b) the quantity of imports
- c) the value of exports
- d) none of these.

72. An import quota always raises the

- a) domestic price of the imported goods
- b) cost of manufacture of goods exported
- c) value of the subsidy
- d) none of these.

73. International Monetary Fund has established

- a) flexible exchange rate system
- b) fixed exchange rate system
- c) managed floating
- d) none of these.

74. European Common Market is a

- a) customs union
- b) free trade area
- c) common currency area
- d) none of these.

75. Foreign capital inflow occurs through

- a) official lending
- b) foreign direct investment
- c) portfolio investment
- d) all of these.

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76. Input-output model assumes

- a) industries are interdependent.
- b) constant returns to scale
- c) homogenous product
- d) all of these.

77. Milton Friedman's demand for money function includes

- a) Money
- b) Bonus
- c) Equities
- d) All of these.

78. Don Patinkin attempted to

- a) integrate real and monetary sectors
- b) explain the growth of money supply
- c) analyse the impact of interest rates
- d) none of these.

79. Non- banking Financial Intermediaries create

- a) monetary assets
- b) real assets
- c) non-monetary indirect assets
- d) none of these.

80. Growth of money supply is given by

- a) money multiplier
- b) credit creation
- c) budget deficit
- d) all of these.

81. Say's law of market is concerned with

- a) market disequilibrium
- b) market pricing of goods
- c) supply creates demand
- d) none of these.

82. Keynesian theory explains

- a) full employment equilibrium
- b) under-employment equilibrium
- c) price flexibility
- d) all of these.

83. Real Balance Effect deals with influencing

- a) change of interest on money balances
- b) change of price on money balances
- c) change in exchange rate on money balances
- d) none of these.

84. Harrod's model of growth explains

- a) warranted rate of growth
- b) natural rate of growth
- c) steady rate equilibrium
- d) all of these.

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85. Phillips curve explains

- a) changes in output
- b) changes in unemployment
- c) trade-off between inflation and unemployment
- d) none of these.

86. Quasi-rent is

- a) equal to firm's total profits
- b) greater than firm's total profits
- c) smaller than firm's total profits
- d) any of these.

87. Supply curve of labour to an industry is

- a) backward binding
- b) slopes from left upwards to the right
- c) negatively sloping
- d) none of these.

88. Supply of loanable funds comes from

- a) Investment
- b) disinvestment
- c) dissaving
- d) all of these.

89. What are transfer payments ?

- a) Payments from one person to another
- b) Payments that are in the nature of incentives
- c) Payments other than those made for productive services
- d) None of these.

90. Gross national expenditure less indirect taxes plus subsidies equals

- a) GNP at Market prices
- b) GNP at factor cost
- c) Personal disposable income
- d) Gross domestic product.

91. LM curve will shift downward to the right with

- a) increase in quantity of money
- b) decrease in quantity of money
- c) increase in interest rates
- d) none of these

92. Slope of the IS curve is determined by

- a) interest elasticity of investment
- b) slope of the saving function
- c) change in government taxes
- d) both (A) and (B).

93. Fiscal Policy's goal is to

- a) reduce budget deficit
- b) reduce interest rates
- c) regulate foreign exchange
- d) none of these

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

95. Kaldor's income distribution model explains

- a) changes in ratio of investment to income
- b) changes in shares of profits and wages
- c) changes in the ratio of investment to income causing changes in profits and wages
- d) none of these.

96. The individual's demand curve for a commodity represents

- a) a maximum boundary of the individual's intentions
- b) a minimum boundary of the individual's intentions
- c) both a minimum and maximum boundary
- d) neither a maximum-nor a maximum boundary.

97. When both the price of a substitute and the price of a complement of commodity X rise, the demand for X

- a) rises
- b) falls
- c) remains unchanged
- d) all of these

98. Cardinal approach to consumer behavior assumes that

- a) utility is measurable
- b) marginal utility will fall
- c) utility is comparable
- d) all of these.

99. Indifference curves must have

- a) negative slope
- b) positive slope
- c) convexity to the origin
- d) both (A) and (C).

100. The curve which shows how the purchase of A varies with changes in its price is Called

- a) demand curve
- b) price-consumption curve
- c) income-consumption curve
- d) production curve.

101. Price discrimination occurs when monopolist

- a) charges different prices for the same commodity in different markets
- b) charges same price for the commodity in different markets
- c) when the elasticity coefficient is same in different markets
- d) none of these.

102. Oligopoly market structure requires

- a) interdependence among the sellers
- b) kinked demand curve
- c) indeterminate solution
- d) all of these.

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103. In monopolistic competition, we have

- few firms' selling a differentiated product
- many firms selling a homogenous product
- few firms selling a homogenous product
- many firms selling a differentiated product.

104. With reference to Cournot's model of duopoly, which of the following is false ?

- Duopolists do not recognise interdependence
- Each assumes that the other seller will keep his quantity constant
- Each assumes that the other will keep his price constant
- The solution is stable.

105. Firm's Demand curve for factor A is given by its

- VMP_a curve
- MPO_a curve
- MFC_a curve
- none of these.

106. The Red Fort of Delhi was built by

- Shah Jahan
- Jahangir
- Aurangzeb
- Akbar.

107. Tropical cyclones in China and Japan are known as

- Hurricanes
- Tornadoes
- Typhoons
- Willy-willies.

108. Match the following :

List-I	List-II
A. Annie Besant	1. Young India
B.G. Subramaniya Ayyar	2. The Hindu
C. Motilal Nehru	3. New India
D. M.K. Gandhi	4. Independent

CODES:

- | | A | B | E | D |
|------|---|---|---|---|
| a) 1 | 2 | 3 | 4 | |
| b) 3 | 4 | 2 | 1 | |
| c) 1 | 4 | 3 | 2 | |
| d) 3 | 2 | 4 | 1 | |

109. The next Olympic Games will be held at

- London
- Beijing
- Sydney
- Paris.

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110. On which river has the Hirakud Dam been built ?

- a) Mahanadi
- b) Godavari
- c) Narmada
- d) Ravi.

111. The major aim of population education is

- a) to make the individual aware of the processes and consequences of population growth.
- b) to provide family planning education
- c) to persuade people to have small family
- d) to provide family and health education.

112. Esteem and self-esteem need best to be met

- a) through achievements
- b) through affiliation
- c) through security
- d) through failures.

113. Literature, painting, music and other fine arts can be grouped under

- a) reproductive imagination
- b) pragmatic imagination
- c) aesthetic imagination
- d) receptive imagination.

114. Intelligence tests are useful for

- a) curriculum changes
- b) identifying the learning capacity
- c) comparing different groups
- d) arranging extra coaching.

115. Mental growth of a child is related to

- a) exercises
- b) The rate of physical growth
- c) The quality of the environment
- d) the neurological growth.

116. In the theory of psycho-social development Erik Erikson refers to ego-identity crisis to be arising in adolescence when

- a) there is hostile feeling towards others
- b) the individual undergoes social conflict
- c) there is problem of egoism
- d) the individual finds it difficult to choose a social role suitable for himself.

117. Rational thinking is affected by

- a) emotions
- b) prejudice
- c) environment
- d) altitude

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118. Content of functional education includes

- a) literacy and numeracy
- b) numeracy
- c) literacy and technocracy
- d) literacy, numeracy and technocracy.

119. The very popular technical innovation in teaching is

- a) science laboratory
- b) language laboratory
- c) computer laboratory
- d) technical laboratory.

120. When the urge for action is in the action motivation, it is said to be

- a) extrinsic
- b) intrinsic
- c) intrinsic and extrinsic
- d) achievement oriented.

121. Production possibility curve is

- a) concave and downward sloping
- b) convex and downward sloping
- c) the ridge lines
- d) none of these.

122. The LAC curve is

- a) intersected by the LMC curve from below at its lowest point
- b) the envelope to the SAC curves
- c) often L-shaped and has a flat bottom in the real world
- d) all of these.

123. Cost volume profit analysis can be used to determine

- a) the break-even point
- b) the target output to earn target profit
- c) the price of the product
- d) none of these.

124. Economies of scale refer to those factors that

- a) lower the cost of production
- b) result in returns to scale
- c) help in comparison of different economies
- d) reduce prices for the consumer.

125. Production in the short-run is subject to

- a) law of variable proportions
- b) returns to scale
- c) elasticity of substitution
- d) none of these

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126. Marginal are of technical substitution can be found in

- a) Indifference curves
- b) Isoquants
- c) Isocost curves
- d) None of these.

127. At the point of producer equilibrium

- a) isoquant is tangent to isocost
- b) $MRTS_{LK} = \frac{P_L}{P_K}$
- c) $\frac{MP_L}{P_L} = \frac{MP_K}{P_K}$
- d) all of these.

128. When the law of diminishing returns begins to operate, TVC curve begins to

- a) fall at an increasing rate
- b) rise at a decreasing rate
- c) fall at a decreasing rate
- d) rise at an increasing rate.

129. If the LAC curve falls, it is due to

- a) economies of scale
- b) diminishing returns
- c) diseconomies of scale
- d) any of these.

130. In the Cobb-Douglas production function, if $(\alpha + \beta) > 1$ we will have

- a) decreasing returns to scale
- b) constant returns to scale
- c) increasing returns to scale
- d) homogenous production function of degree one.

131. Revealed preference theory is based on the principle of

- a) strong ordering
- b) weak ordering
- c) cross elasticity
- d) none of these.

132. The marginal utility curve of a given commodity for an individual consumer

- a) is his demand curve for that commodity
- b) moves in the opposite direction to his demand curve
- c) is always parallel to the vertical axis
- d) is always cutting both axes.

133. Hick's Revision of Demand Theory is based on

- a) preference hypothesis
- b) compensating variation
- c) cost difference
- d) both (B) and (C).

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134. In risky situations, consumers look for

- a) expected utility
- b) expected money
- c) expected profit
- d) lower prices.

135. Demand curve will have a positive slope in the case of

- a) complementary goods
- b) Giffen good
- c) inferior good
- d) both (B) and (C).

136. The best level of output for a perfectly competitive firm is given by the point where,

- a) $MR = AC$
- b) $MR = MC$
- c) $MR > MC$
- d) $MR = MC$ and MC is rising.

137. An increase in output in a perfectly competitive constant cost industry will come

- a) entirely from new firms
- b) entirely from existing firms
- c) entirely from new firms or existing firms
- d) partly from new firms and partly from existing firms.

138. When the perfectly competitive firm and industry are both in long-run equilibrium,

- a) $P = MR = SMC = LMC$
- b) $P = MR = SAC = LAC$
- c) $P = MR =$ Lowest point on LAC curve
- d) all of these.

139. At the best level of output for monopolist

- a) $MR = SMC$
- b) $P = SMC$
- c) $P =$ Lowest SAC
- d) P is highest.

140. Which form of monopoly regulation is most advantageous for the consumer ?

- a) Price control
- b) Lump sum Tax
- c) Per Unit Tax
- d) Value Added Tax.

141. An emotion is

- a) a psychological predicament
- b) excited or agitated state of mind
- c) mentally disturbed condition
- d) arousal of reaction to Stimuli.

142. One of the most difficult developmental tasks of early childhood is

- a) learning to relate emotionally to other people
- b) learning to walk
- c) learning to read,
- d) learning to eat by themselves.

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143. The carriers of heredity in any species are

- a) the cells
- b) the tissues.
- c) the genes
- d) the cytoplasm.

144. Intra-individual differences mean

- a) difference within the individual
- b) difference between the individuals
- c) personality difference between individuals
- d) attitude difference between individuals.

145. Spirit of enquiry in teachers education could be enhanced through the study of

- a) general psychology
- b) clinical psychology
- c) educational psychology
- d) experimental psychology.

146. Demand for money in the Keynesian approach is influenced by

- a) transactions motive
- b) precautionary motive
- c) speculative motive
- d) none of these.

147. Functions of central bank deal with

- a) open market operations
- b) loans to customers
- c) stock market operations
- d) none of these.

148. The central bank is country's

- a) chief monetary authority
- b) apex banking institution
- c) largest commercial bank
- d) none of these.

149. Money supply in India is measured by

- a) M_1 and M_2
- b) M_1 alone
- c) M_1 and $M_2 + M_3 + M_4$
- d) none of these.

150. High Powered Money is defined by

- a) currency held by the public
- b) cash reserves of Banks
- c) other deposits of RBI
- d) all of these