MOCK TEST PAPER - 1

COMMON PROFICIENCY TEST

Time Allowed – 2 Hours   Maximum Marks – 100

SECTION C: GENERAL ECONOMICS (50 Marks)

101. Which of the following statements is correct?

    (a) Employment and economic growth are studied in micro economics.

    (b) Micro economics deals with balance of trade

    (c) Economic condition of a section of the people is studied in Micro Economics

    (d) External value of money is dealt with in micro-economics

102. Identify the correct statement :

    (a) In capitalist economy people are not free to spend their income as they like

    (b) In socialist economy the right to work is guaranteed but the choice of occupation gets restricted

    (c) In socialist economy a relative inequality in income is an important feature.

    (d) In today's world only U.S.A. is a purely socialist country

103. When quantity demanded changes by larger percentage than does price, elasticity is termed as:

    (a) inelastic

    (b) perfectly elastic

    (c) elastic

    (d) perfectly inelastic

104. Money in dynamic sense:

    (a) Serves as encouragement to division of labour

    (b) Serves as smooth transformer of saving into investments

    (c) Serves as both a and b of the above

    (d) Serves neither as a or b of the above.

105. Integration of the domestic economy with the world economy is called:

    (a) disinvestment

    (b) privatization

    (c) liberalisation

    (d) globalisation

106. Which of the following statements is incorrect:

    (a) Workers employed in Sugar Mills face seasonal unemployment

    (b) Due to introduction of new machinery, labour saving device etc. some workers tend to be replaced by machine is termed as structural unemployment

    (c) Frictional unemployment is temporary phenomenon

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(d) Disguised unemployment refers to a situation where removal of some workers will not affect the volume of total output

107. If income elasticity for the household for good A is 2 then it is a:

(a) necessity item

(b) inferior goods

(c) luxurious item

(d) comfortable item

108. Which of the following statements is incorrect?

(a) Most of the big industrial units in India are sick

(b) The industrial pattern on the eve of independence was not balanced

(c) During the planning period, Indian Industrial structure has shifted in favour of basic and capital goods and intermediate sector.

(d) None of the above

109. In _____ we remove tariff, subsidies on the flow of goods and services between countries.

(a) globalisation

(b) liberalisation

(c) privatisation

(d) disinvestment

110. In Fiscal deficit we add borrowings and other liabilities to the _____

(a) Primary deficit

(b) Capital deficit

(c) Budget deficit

(d) Money deficit

111. When contribution to the production is almost zero/nil is called _____ unemployment

(a) disguised

(b) cyclical

(c) chronic

(d) structural

112. NABARD is the apex bank for _____ credit in India

(a) combined sector

(b) industrial sector

(c) agriculture sector

(d) tertiary sector

113. In perfect competition the firm's _____ above AVC has the identical shape of the firm's supply curve

(a) Marginal revenue curve

(b) Marginal cost curve

(c) Average cost curve

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(d) None of the above

The following data gives the production possibilities frontier of an economy that produces two types of goods, guns and bread. Read the following table and answer questions 114 – 116.

Table 1 : Production Possibilities

Production possibilities	A	B	C	D	E	F	G	H
Guns	0	10	20	30	40	50	60	30
Bread	105	100	90	75	55	30	0	45

114. According to table 1, the opportunity cost of increasing gun's production from 20 to 30 units is equal to

    (a) 10 units of bread

    (b) 15 units of bread

    (c) 25 units of bread

    (d) 24 units of bread

115. Given the data in table 1, one moves successively from point A to point B, C, D, E and F, the opportunity cost of guns:

    (a) Increases as more of guns are produced

    (b) Decreases as more of guns are produced

    (c) Remains constant as more of guns are produced

    (d) Nothing can be said

116. Point D is efficient while point H (30 guns and 45 loaves of bread) is inefficient. Why?

    (a) Point D is outside the PPF while point H is on the PPF

    (b) Point D is inside the PPF while point H is on the PPF

    (c) Point D is on the PPF while point H is inside the PPF

    (d) Nothing can be said

117. Suppose income of the consumers increases by 50% and the demand for commodity X increases by 20% what will be the income elasticity of demand for commodity X?

    (a) .04

    (b) 0.4

    (c) 4.00

    (d) -4.00

118. Broad Money refers to :

    (a) M_1

    (b) M_2

    (c) M_3

    (d) M_4

119. W.T.O. was established on :

    (a) 1st Jan 1991

    (b) 2nd March 1992

    (c) 1st Jan 1995

(d) 2nd March 1997

120. When indifference curve is L shaped then two goods will be:

(a) perfect substitute Goods

(b) substitute Goods

(c) perfect complementary goods

(d) complementary goods

121. If a point on a demand curve of any commodity lies on X Axis then price elasticity of demand of that commodity at that point will be

(a) Infinite

(b) More than zero

(c) Less than zero

(d) zero

122. Which of the following statement is incorrect ?

(a) Indian tax structure relies on a very narrow population base

(b) Direct taxes are differential, indirect taxes are progressive in nature

(c) The ratio of Direct taxes to indirect taxes which was 40:60 in 1951 declined to 20:80 in 1991

(d) The total tax revenue is highly insufficient to meet the expenditure requirement of the economy

123. Which of the following statements about central bank is incorrect?

(a) Central bank regulates currency in accordance with the requirements of business and the general public

(b) Central banks performs general banking and agency service for the state

(c) Central bank generally deals with the public and tries to encourage saving habits among people

(d) None of the above.

124. One characteristic not typical of oligopolistic industry is:

(a) too much importance to non-price competition

(b) price leadership

(c) horizontal demand curve

(d) a small number of firms in the industry

125. Balance of services is the sum of all invisible service receipts and payment which could be _____.

(a) zero

(b) positive

(c) negative

(d) zero, positive or negative

126. If NNP figure is available at market prices we will _____ indirect taxes and _____ subsidies to the figure to get National Income of the economy.

(a) add, subtract

(b) add, divide

(c) subtract, add

(d) subtract, divide

127. The Government established _____ in 1982 to finance rural projects at lower rate of interests.

    (a) Regional Rural Banks

    (b) Reserve Bank of India

    (c) National Bank for Agriculture and Rural Development

    (d) Co-operative Banks

128. What is privatization ?

    (a) It refers to the disposal of private sector's equity in the market

    (b) It refers to the transfer of assets from public to private sector ownership

    (c) It means integrating the domestic economy with the world economy

    (d) None of the above

A competitive firm sells as much as of its product it chooses at a market price of Rs. 100 per unit. Its fixed cost is Rs. 300 and its variable costs (in rupees) for different levels of production are shown in the following table. Use table 1 to answer questions 129-132.

Table No.1

Quantity	Variable cost	Fixed Cost	Total Cost	Average Variable Cost	Average Total Cost	Marginal cost
0	0	–	–	–	–	–
5	270					
10	490					
15	720					
20	1000					
25	1370					
30	1870					
35	2540					
40	3420					
45	4550					
50	5970					

129. When production is 35 units, the average variable cost is

    (a) Rs. 7.25

    (b) Rs. 72.25

    (c) Rs. 72.57

    (d) Rs. 85.50

130. In the table marginal cost per unit that corresponds to 25 units of production is

    (a) Rs. 3.50

    (b) Rs. 74

    (c) Rs. 450

    (d) Rs. 370

131. To maximize output, the firm should produce

    (a) 30

    (b) 35

    (c) 45

    (d) 50

132. If the market price drops from Rs. 100 to Rs. 74, the firm short run response should be

    (a) continue to produce the same number of units as before the drop in price

    (b) produce 10 units

    (c) produce 20 units

    (d) produce 25 units

133. Who is the main exponent of Marginal utility analysis ?

    (a) Paul Samuelson

    (b) Hicks

    (c) Keynes

    (d) Marshall

134. If all inputs are trebled and the resultant output is doubled, this is a case of:

    (a) constant returns to scale

    (b) increasing returns to scale

    (c) diminishing returns to scale

    (d) negative returns to scale

135. Demand curved can be derived from:

    (a) MU curve

    (b) PCC

    (c) Both

    (d) None

136. The exception to law of demand are -

    (a) Veblen goods

    (b) Giffen goods

    (c) both

    (d) none

137. Under perfect competition price of the product :

    (a) can be controlled by individual firm

    (b) cannot be controlled by individual firm

    (c) can be controlled within certain limit by individual firm

    (d) none of the above

138. The upper portion of the kinked demand curve is relatively -

    (a) more inelastic

    (b) more elastic

    (c) less elastic

(d) inelastic

139. Period in which supply cannot be increased is called -

(a) market period

(b) short run

(c) long run

(d) none of there

140. The 'Diamond Water' controversy is explained by -

(a) total utility

(b) marginal utility

(c) price offered

(d) quantity supplied

141. Increase in money supply will lead to:

(a) Cost push inflation

(b) Demand pull inflation

(c) Structural inflation

(d) None of the above

142. Which of the following is not a commercial bank in India?

(a) Reserve Bank of India

(b) Punjab National Bank

(c) Bank of India

(d) State Bank of India

143. Banks are regulated by:

(a) Securities Exchange Board of India

(b) Reserve Bank of India

(c) Company Law Board

(d) Registrar of Companies

144. Consumer surplus means _____

(a) the area inside the budget line

(b) the area between the average revenue and marginal revenue curves

(c) the difference between the maximum amount a person is willing to pay for a good and its market price

(d) none of the above

145. Increase in population can be caused by -

(a) high birth rate

(b) low death rate

(c) immigration

(d) all the above

146. Manufacturing industries are a part of :

    (a)   primary sector

    (b)   secondary sector

    (c)   tertiary sector

    (d)   none of the above

147. Public sector in India suffers from :

    (a)   over staffing

    (b)   political interference

    (c)   uncompetitiveness

    (d)   all of the above

148. The Reserve Bank of India was set up in :

    (a)   1949

    (b)   1956

    (c)   1935

    (d)   1901

149. Disinvestment programme started in India after -

    (a)   1986-87

    (b)   1988-89

    (c)   1991-92

    (d)   1995-96

150. First plan was initiated in:

    (a)   1950

    (b)   1951

    (c)   1956

    (d)   1962

SECTION –D: QUANTITATIVE APTITUDE (50 Marks)

PART: A MATHEMATICS

151. The ratio between the speeds of two trains is 7: 8. If the second train runs 400 Kms. in 5 hours, the speed of the first train is

   (a) 10 Km/hr

   (b) 50 Km/hr

   (c) 70 Km/hr

   (d) None of these

152. If α, ß be the roots of the equation $2x^2 - 4x - 3 = 0$, the value of $\alpha^2 + ß^2$ is _____.

   (a) 5

   (b) 7

   (c) 3

   (d) –4

153. Solve for y in the equation $\dfrac{y+11}{6} - \dfrac{y+1}{9} = \dfrac{y+7}{4}$ and the value of y is

   (a) –1

   (b) 7

   (c) 1

   (d) $-\dfrac{1}{7}$

154. If $5_{P_r} = 60$, then the value of r is

   (a) 3

   (b) 2

   (c) 4

   (d) None of these

155. A question paper contains 6 questions, each having an alternative. The number of ways an examiner can answer one or more questions is

   (a) 720

   (b) 728

   (c) 729

   (d) None of these

156. $\lim\limits_{x \to 2} \dfrac{2x^2 - 7x + 6}{5x^2 - 11x + 2}$ is equal to

   (a) 1/9

   (b) 9

   (c) –1/9

   (d) None of these

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157. If $y = x^{-1/2}$ then dy/dx is

    (a) $(-1/2)x^{-3/2}$

    (b) $(1/2)x^{-3/2}$

    (c) $(1/2)x^{3/2}$

    (d)   None of these

158. Integrate w.r.t. x, $(3 - 2x - x^4)$

    (a) $3x - x^2 - x^5/5$

    (b) $3x + x^2 - x^5/5$

    (c) $3x + x^2 + x^5/5$

    (d)   None of these

159. $\int_{0}^{2} 3x^2 \, dx$ Is

    (a)   7

    (b)   −8

    (c)   8

    (d)   None of these

160. The present value of annuity of Rs. 5000 per annum for 14 years at 14% p.a C.I. is [Given P(14, 0.14) = 6.0027]

    (a)   Rs. 46000

    (b)   Rs. 30,013.50

    (c)   RS. 15000

    (d)   None of these

161. If A has 32 elements B has 42 elements and $A \cup B$ has 62 elements. Find the number of elements in $A \cap B$?

    (a)   74

    (b)   62

    (c)   12

    (d)   None of these

162. $\lim\limits_{x \to 1/2} \left(\dfrac{8x^3 - 1}{6x^2 - 5x + 1} \right)$ is equal to

    (a)   5

    (b)   −6

    (c)   6

    (d)   None of these

163. If a : b = 3 : 4, the value of (2a+3b) : (3a+4b) is

    (a)   18 : 25

10

(b)   8 : 25

(c)   17 : 24

(d)   None of these

164. The gradient of the curve $y = 4x^2 - 2x$ at $x = 1$ is

    (a)   4

    (b)   6

    (c)   8

    (d)   None of these.

165. Find the $f \circ g$ for the functions $f(x) = x^2$, $g(x) = x + 1$

    (a) $x^2(x+1)$

    (b) x^2

    (c) $x+1$

    (d) $(x+1)^2$

166. Determine the value of x for the equation $x^2 - 8x + 16 = 0$

    (a)   4, 4

    (b)   −4, −4

    (c)   2, 6

    (d)   6, 2

167. How much money should be invested to earn a monthly interest of Rs. 1800 at 9% per annum simple interest?

    (a)   Rs. 120,000

    (b)   Rs. 240,000

    (c)   Rs. 200,000

    (d)   None of these.

168. The denominator of a fraction exceeds the numerator by 7 and if the 2 is added to the denominator then the fraction becomes $\frac{4}{7}$. Find the fraction.

    (a) $\frac{12}{19}$

    (b) $\frac{7}{14}$

    (c) $\frac{9}{16}$

    (d) $\frac{11}{18}$

169. A firm plans to purchase hens (x) for its canteen. There cannot be more than 20 hens, this can be shown by

    (a) $x \leq 20$

    (b) $x = 20$

    (c)   x $\geq$ 20

    (d)   None of these.

170. Find the equation of the line with slope –0.25 and (–2, –4) on the line

    (a)   x+4y+18=0

    (b)   2x+4y+15=0

    (c)   2x+y+18=0

    (d)   x+4xy–18=0

171. Find $\dfrac{dy}{dx}$ when y = $4x^3$+ $8x^7$ at x^2 = 2

    (a)   424

    (b)   470

    (c)   472

    (d)   None of these.

172. Evaluate $\lim\limits_{x\to\infty}\left(1+\dfrac{9}{x}\right)^x$

    (a) e^9

    (b)   9

    (c)   1

    (d) e^1

173. If the set P has 6, Q has 5 and R has 2 elements, then the set P x Q x R contains

    (a)   13

    (b)   9

    (c)   60

    (d)   None of these.

174. Find the 10th term of an A.P with first term as 4 and common difference being 2

    (a)   22

    (b)   25

    (c)   20

    (d)   13

175. If $10^{-2} = \dfrac{1}{100}$, then the value of $\log_{10} 0.01$ is

    (a)   –2

    (b)   2

    (c)   –1

    (d)   1

PART B: STATISTICS

176. Which of the following measures of central tendency is based on only fifty percent of the central values?

    (a) Mean

    (b) Median

    (c) Mode

    (d) Both (a) and (b)

177. The unit of measurement in tabulation is shown in

    (a) Box head

    (b) Body

    (c) Caption

    (d) Stub

178. Most extreme values which would ever be included in a class interval are called

    (a) Class limits

    (b) Class interval

    (c) Class boundaries

    (d) None of these

179. The method applied for deriving the regression equations is known as

    (a) Least squares

    (b) Concurrent deviation

    (c) Product moment

    (d) Normal equation

180. A binomial distribution is

    (a) Never symmetrical

    (b) Never positively skewed

    (c) Never negatively skewed

    (d) Symmetrical when p = 0.5

181. If A denotes that a student reads in a school and B denotes that he plays cricket, then

    (a) $P(A \cap B) = 1$

    (b) $P(A \cup B) = 1$

    (c) $P(A \cap B) = 0$

    (d) $P(A) = P(B)$

182. Probability mass function is always

    (a) 0

    (b) Greater than 0

    (c) Greater than equal to 0

    (d) Less than 0

183. The sampling distribution is

    (a) The distribution of sample observations

    (b) The distribution of random samples

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(c) The distribution of a parameter

(d) The probability distribution of a statistic

184. If now the prices of all the commodities in a place have been Increased by 85% over the base period prices, then the index number of prices for the place is now (index number of prices of base period = 100)

(a) 100

(b) 185

(c) 65

(d) None of these

185. An aeroplane flies from A to B at the rate of 500 km / hour and comes back from B to A at the rate of 700 km/ hour. The average speed of the aeroplane is.

(a) 10 Km/hr

(b) 583.33 Km/hr

(c) 71 Km/hr

(d) None of these

186. Two cards are drawn from a well shuffled pack of 52 cards. Find the probability that they are both kings if the first is replaced.

(a) 1/13

(b) 1/ 169

(c) 1/221

(d) None of these.

187. A pair of dice is thrown and sum of the numbers on the two dice comes to be 7. What is the probability that the number 3 has come on one of the dice?

(a) 1/9

(b) 1/3

(c) 1/4

(d) None of these.

188. If in binomial distribution np = 6 and npq = 3, then p is equal to

(a) 1/3

(b) 1/2

(c) 1/4

(d) None of these.

189. _____ is uniparametric distribution.

(a) Binomial

(b) Poisson

(c) Normal

(d) Hyper geometric

190. Data collected on sex ratio from the census reports are _____.

(a) Primary data

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(b) Secondary data

(c) Discrete data

(d) Continuous data

191. What is the median for the following observations 6,10,15,16,20,5,8?

    (a) 8

    (b) 10

    (c) 15

    (d) None of these.

192. The variables x and y are related by 2x+ 3y = 6 and median of x is 2. What is the median of y?

    (a) 1/3

    (b) 2/3

    (c) 1

    (d) None of these.

193. Find D_6 for the following observations: 7,9,5,4,10,15,14,18,6,20

    (a) 11.40

    (b) 12.40

    (c) 13.40

    (d) 13.80

194. Refer following table:

Frequency distribution of weights of 16 students

Weight in kg. (Class interval)	No. of students (Frequency)
44 – 48	4
49 – 53	5
54 – 58	7
Total	16

Find Relative frequency for the second class interval?

    (a) 1/11

    (b) 5/4

    (c) 5/16

    (d) 1/4

195. A bag contains 5 red and 3 yellow balls. Two balls are drawn at random one after the other without replacement. The probability that both balls drawn are yellow is

    (a) 9/64

    (b) 3/28

    (c) 1/7

    (d) None of these.

196. As the sample size decreases, standard error

    (a)   Increases

    (b)   Decreases

    (c)   Remains constant

    (d)   Increases proportionately

197. The mode of the nos. 7, 7, 9, 7, 10, 15, 15, 15, 10 is

    (a)   7

    (b)   10

    (c)   15

    (d)   7 and 15

198. If each item is reduced by 12, A.M. is

    (a)   Reduced by 12

    (b)   Increased by 12

    (c)   Unchanged

    (d)   None of these

199. If x and y are perfectly related by $2x + 3y + 4 = 0$ and SD of x is 6 then SD of y is

    (a)   22

    (b)   4

    (c)   25

    (d)   8.30

200. A bag contains 5 white and 10 blackballs. Three balls are taken out at random. Find the probability that all three balls drawn are black.

    (a)   16/91

    (b)   42/91

    (c)   24/91

    (d)   None of these