

Q-34

Entrance Examinations – 2018
M.A. Financial Economics

Hall Ticket Number

Time: 2 hours
Max. Marks: 100

Part A: 25 Marks
Part B: 75 Marks

INSTRUCTIONS

1. Write your Hall Ticket Number on the OMR Answer Sheet given to you. Also write the Hall Ticket Number in the space provided above.
2. Answers are to be marked on the OMR answer sheet.
3. Please read the instructions carefully before marking your answers on the OMR answer sheet.
4. Handover the OMR answer sheet after the examination to the Invigilator.
5. There are plain sheets in the booklet for rough work, no additional sheets will be provided.
6. Use of non-programmable calculators is allowed.
7. There are a total of 100 questions in this paper: **Part A** (25 questions) and **Part B** (75 questions).
8. **Each question has only one correct option. There is negative marking. For each question the correct answer gets 1 (one) mark and a wrong answer gets – 0.33.**
9. The appropriate answer should be coloured with either a blue or a black ball point or a sketch pen. **DO NOT USE A PENCIL.**
10. The question paper contains 20 **pages** including the cover page and pages for rough work (**pages 17 to 20**).
11. The question papers can be taken by the candidates at the end of the examination.

PART-A

1. According to Simon Kuznets, the relationship between GNP per capita and inequality in the distribution of income is
 - A. strictly decreasing
 - B. strictly increasing
 - C. directly proportional
 - D. first increasing and then decreasing

2. In Robinson's model of growth the fundamental equation for accumulation of capital is _____:
 - A. $\pi = \frac{\frac{Y}{N} - \frac{W}{P}}{K}$
 - B. $\pi = \frac{\frac{W}{P} - \frac{Y}{N}}{K}$
 - C. $\pi = \frac{\rho - \frac{W}{P}}{\theta}$
 - D. $\pi = \frac{\frac{\rho}{N} - \frac{W}{P}}{\theta}$

3. In order to attain sustainable economic growth, an augmented Solow model with technological progress takes the following form:
 - A. $Y = F(AK, L) = L^\alpha (AK)^{1-\alpha}$
 - B. $Y = F(K, AL) = K^\alpha (AL)^{1-\alpha}$
 - C. $Y = F(AK, L) = (AK)^\alpha L^{1-\alpha}$
 - D. $Y = F(K, AL) = A(K)^\alpha (L)^{1-\alpha}$

4. According to the Product exhaustion theorem, if the factors are paid according to their marginal productivity then:
 - A. total productivity may not exhaust
 - B. total productivity may exhaust
 - C. total productivity will exhaust
 - D. none of the above

5. In case of negative externality:
 - A. marginal social benefit > marginal social cost
 - B. marginal social benefit = marginal social cost
 - C. marginal social benefit < marginal social cost
 - D. none of the above

6. Fiscal deficit minus interest payments equals
 - A. primary Deficit
 - B. net Fiscal Deficit
 - C. budgetary Deficit
 - D. monetised fiscal deficit

7. An expansionary fiscal policy will be more effective when the
 - A. LM schedule is relatively flat
 - B. LM schedule is relatively steep

- C. LM curve is vertical
D. Both B and C
8. With which of the following does the Prebisch-Singer hypothesis deal?
A. terms of trade of less developed countries
B. terms of trade of developed countries
C. balance of payments of less developed countries
D. balance of payments of developed countries
9. India's 'Green Actions' does not include
A. cut in subsidies
B. increased taxes on fossil fuels
C. increased in petrol and diesel prices
D. de-urbanising the economy
10. Let A, B, and C be finite non-empty sets such that $C = A \setminus B$. Let $n(X)$ = number of elements in a finite set, X. Then,
A. $n(B) \leq n(A)$
B. $n(C) \leq n(A)$
C. $n(A) = n(B) + n(C)$
D. All of the above.
11. $P(X)$ denotes probability of event X. Let $P(A) > 0$, $P(B) > 0$, then conditional probability $P(A|B)$ is equal to:
A. $P(A) - P(B)$
B. $P(AB) - P(B)$
C. $(P(A) + P(B))/P(AB)$
D. $P(AB)/P(B)$
12. Let X, Y be random variables and let $Y = aX - b$, with $a > 1$, $\mu_X > b > 0$, where μ , σ and cv represent mean, standard deviation and coefficient of variation with respect to the indexed variable(s). Then,
A. $\mu_X < \mu_Y$
B. $\mu_X > \mu_Y$
C. $cv_X < cv_Y$
D. $cv_X > cv_Y$
13. The following argument: "(a) Some men are immortal. (b) Rajkumar is a man. Therefore (c) Rajkumar is immortal." is invalid because,
A. The conclusion does not follow from the premise
B. One of the statements in the premise is false
C. The conclusion is false
D. Premise is compound statement with two sub-statements.
14. A random variable X has finite mean, μ , and finite variance, σ^2 . Let X_1, X_2, \dots, X_n , be a sample of size n drawn from a population whose distribution is described by the above random variable.

- Now, consider the statistic, $T_1 = \bar{X} = \sum_{i=1}^n \frac{X_i}{n}$ as an estimator for population mean, μ , and the statistic $T_2 = \sum_{i=1}^n \frac{(X_i - \bar{X})^2}{n}$ as an estimator for the population variance, σ^2 . Then
- T1 and T2 are both unbiased
 - T1 and T2 are both biased
 - T1 is unbiased but T2 is biased
 - T1 is biased but T2 is unbiased
15. Given an economy with no rigidities which is initially in a macroeconomic equilibrium. Now, suppose nominal money supply is increased. Then a change in commodity prices restores macroeconomic equilibrium through the following process:
- Nominal balances in the economy do not change but the demand for nominal balances changes as the prices change.
 - Nominal balances in the economy change whereas the demand for nominal balances does not change as the prices change.
 - Nominal balances in the economy and the demand for nominal balances both adjust as the prices change.
 - Real balances in the economy do not change but the demand for real balances changes as the prices change.
16. If X_1, X_2, \dots, X_n , are i.i.d. random variables with normal distribution, $N(\mu, \sigma^2)$, then the statistic, $\bar{X}/(\frac{\sigma}{\sqrt{n}})$ has the following sampling distribution:
- chi-square
 - F-distribution
 - t-distribution
 - Normal distribution
17. In a class of 20 boys in school, the mean height is 160 cms and the s.d. (standard deviation) of heights is 10 cms. Two new boys join the class and their heights are 174 cms and 146 cms respectively. Then for the class, the new s.d. of heights compared to the earlier s.d. ,
- cannot be compared with the given information.
 - has remained the same,
 - has gone up.
 - has gone down.
18. For a 2-sector macroeconomic model with the household sector and firms (business sector), equality between savings and investment ($S = I$) happens,
- ex-ante
 - ex-post
 - both ex-ante and ex-post
 - neither ex-ante and ex-post
19. Three fair coins are tossed simultaneously. It has been revealed that at least one of the tosses is a Heads. Given this information, the probability that there are at least two Heads is :
- 1/2
 - 3/4
 - 4/7
 - 6/7

20. Determine the weekly demand function for milk in Hyderabad from the following table;

Price (In Rs.)	Quantity Demand (In Liter)
9	18
10	16
11	14

- A. $Q = 36 - 2P$
 B. $Q = 36 - 3P$
 C. $Q = 24 - 1.5P$
 D. $Q = 10 - 5P$
21. The preference relation \succeq on X is rational if it possesses the following property____;
- A. For all $x, y \in X$, we have $x \succeq y$ or $y \succeq x$ (or both)
 B. For all $x, y, z \in X$, if $x \succeq y$ and $y \succeq z$, then $x \succeq z$
 C. Both A and B
 D. None of the above
22. Suppose that $u(\cdot)$ is a continuous utility function representing a locally non-satiated preference relation \succeq defined on the consumption set $X = R_+^2$. Then the Walrasian demand correspondence $x(p, w)$ possesses, the following property(ies):
- A. Homogeneity of degree zero in (p, w) : $x(\alpha p, \alpha w) = x(p, w)$ for any p, w and scalar $\alpha > 0$
 B. Walras' law : $px = w, \forall x \in x(p, w)$
 C. $x(p, w)$ is a convex set
 D. All of the above
23. The economy of wonderland has an ICOR of 5 and a savings rate, $s = 15\%$. If its current GDP is \$1000, what will be its GDP next year?
- A. \$1150 B. \$850 C. \$1200 D. \$1030
24. Suppose that the demand and supply functions for black dog are; $Q^d = 30 - 2P - y$ & $Q^s = p$, where $y = \text{Income}$, $p = \text{Price of black dog}$. Which of the following statement is true?
- A. Unit increase in income will lead to 1/3 unit decrease in equilibrium price
 B. Unit increase in income will lead to 1/3 unit increase in equilibrium price
 C. Unit increase in income will lead to 1/3 unit decrease in equilibrium quantity
 D. Both A and C
25. Which of the following statements is TRUE?
- A. Utility function $u(x_1, x_2) = ax_1 + bx_2$ stands for perfect substitute preferences
 B. Utility function $u(x_1, x_2) = ax_1 + bx_2$ stands for perfect complement preferences
 C. Utility function $u(x_1, x_2) = x_1^{1/2} + x_2$ stands for linear preferences
 D. Both B and C

PART-B

26. A firm has a cost function given by, $C(q) = 10q^2 + 1000$. At what output, the average cost will be minimized?
- 10
 - 10.5
 - 9
 - 15
27. The demand functions of a monopolist in two effectively segmented markets are, $Q_A = 1000 - 50P_A$ & $Q_B = 800 - 25P_B$. The total cost function is given by $TC = 500 + 100Q$. If the monopolist does not practice price discrimination, then maximizing price level will be
- 12
 - 10
 - 8
 - 15
28. A profit maximizing monopolist sells 600 units of a scarce commodity every year. The monopolist has lost its dominance over the market with the entry of a new player. If the industry is transformed into a duopoly, then the profit maximizing output of the industry will be
- 1200
 - 800
 - 1000
 - 700
29. The cost function of a firm given by $TC = 500 + 10Q - 0.25Q^3$. If the current output is 100 units, the average fixed cost (AFC) will be
- 5
 - 5.5
 - 6
 - 10
30. Suppose you deposit Rs. 1,000 in an account that pays 12% interest, compounded quarterly. How much will be in the account after eight years if there are no withdrawals?
- Rs. 2575.10
 - Rs. 2475.15
 - Rs. 2500.20
 - Rs. 2525.18
31. Accrued interest
- is quoted in the bond price in the financial press.
 - must be paid by the buyer of the bond and remitted to the seller of the bond.
 - must be paid to the broker for the inconvenience of selling bonds between maturity dates.
 - Both A and B.

32. A bond will sell at a discount when _____.
- A. the coupon rate is greater than the current yield and the current yield is greater than yield to maturity.
 - B. the coupon rate is greater than yield to maturity.
 - C. the coupon rate is less than the current yield and the current yield is greater than the yield to maturity.
 - D. the coupon rate is less than the current yield and the current yield is less than yield to maturity.
33. In the context of the Capital Asset pricing Model (CAPM) the relevant measure of risk is
- A. Unique risk
 - B. Beta
 - C. Standard deviation of returns
 - D. Variance of returns
34. In a well-diversified portfolio
- A. market risk is negligible
 - B. unsystematic risk is negligible
 - C. systemic risk is negligible
 - D. non diversifiable risk is negligible
35. If the sum of the roots of a quadratic equation is 6 and the product of the roots is also 6, then the equation is:
- A. $x^2 - 6x + 6 = 0$
 - B. $x^2 + 6x - 6 = 0$
 - C. $x^2 - 6x - 6 = 0$
 - D. $x^2 + 6x + 6 = 0$
36. The simplified form of $\left(\frac{x^3-27}{x^2+3x+9}\right)$ is:
- A. $(x-3)$
 - B. $1/(x-3)$
 - C. $x - 3/x + 3$
 - D. $1/x + 3$
37. If x, y, z are positive real numbers, the value of $(\sqrt{x^{-1}y} \cdot \sqrt{y^{-1}z} \sqrt{z^{-1}x})$ is:
- A. xyz
 - B. $1/xyz$
 - C. 1
 - D. \sqrt{XYZ}

38. The difference between the compound interest and the simple interest on a certain sum at 10 % per annum for 2 years is Rs. 52. Find the sum.
- A. 5200
 - B. 5400
 - C. 5300
 - D. 5100
39. The probability of occurrence of two events E and F are 0.25 and 0.30 respectively. The probability of their simultaneous occurrence is 0.14. The probability that either E occurs or F occurs is:
- A. 0.31
 - B. 0.61
 - C. 0.69
 - D. 0.89
40. Which of the following would indicate that a dataset is not bell shaped?
- A. The range is equal to 5 standard deviations.
 - B. The range is larger than the Interquartile range.
 - C. The mean is much smaller than the median.
 - D. There are no outliers.
41. Which of the following is an example of a relative measure of dispersion?
- A. Standard deviation
 - B. Variance
 - C. Both A and B
 - D. Coefficient of variation
42. Which one of these statistical Measures is unaffected by outliers?
- A. Geometric Mean
 - B. Combined standard deviation
 - C. Interquartile range
 - D. Mode
43. The sampling distribution of the mean of a random sample drawn from any population is approximately normal for sufficiently
- A. Small sample size
 - B. Medium sample size
 - C. Large sample size
 - D. Both A and B.
44. Average wages of workers of a factory are Rs. 550.00 per month and the standard deviation of wages is 110. The coefficient of variation is:
- A. C.V. = 30 per cent
 - B. C.V. = 15 per cent

- C. C.V. = 500 per cent
D. C.V. = 20 per cent
45. If GDP at market prices is INR 1500 and M3 money supply is INR300, the velocity of money is
A.5 B. 10 C. 0.2 D. 10
46. The natural rate of unemployment can be defined as the unemployment rate that exists when the economy
A. has zero inflation
B. has only cyclical and structural unemployment
C. has no trade deficit or government deficit
D. produces at the full-employment output level
47. Which of the following is mostly used by central banks to reduce money supply?
A. Collect higher taxes
B. Sell bonds to the public
C. Buy bonds from the government
D. Buy bonds from the public
48. The ease and speed with which an asset can be exchanged for goods, services, or other assets is its
A. risk.
B. time to maturity.
C. velocity.
D. liquidity.
49. Compared with money, bonds have
A. less risk and less liquidity.
B. less risk and more liquidity.
C. more risk and less liquidity.
D. more risk and more liquidity
50. The financial crisis of 2008 was largely due to losses on securities consisting of bundles of mortgage loans known as
A. home loan loss reserves.
B. credit default swaps.
C. mortgage-backed securities.
D. naked put options.
51. The opportunity cost of holding currency/cash decreases when
A. income decreases.
B. the interest rate on bonds decreases.
C. the interest rate on money decreases.
D. wealth decreases
52. If you see large differences in inflation rates among countries, you are most likely to attribute it to large differences in
A. productivity.
B. real income growth.
C. the growth rates of real money demand.
D. the growth rates of nominal money supplies

53. What do you call a variable that tends to move in advance of aggregate economic activity?
- A. a leading variable.
 - B. a coincident variable.
 - C. a lagging variable.
 - D. an acyclical variable.
54. The *Solow residual* is regarded as
- A. the waste from the production process.
 - B. the most common measure of productivity shocks.
 - C. a measure of the efficiency of the production process.
 - D. a measure of the proportion of involuntarily unemployed workers.
55. Phillips's research employed British data on _____ and later it was known as Phillip's curve
- A. unemployment and inflation.
 - B. unemployment and nominal wage growth.
 - C. inflation and nominal wage growth.
 - D. unemployment and output.
56. The most common reason for Purchasing power parity not holding good in the short to medium run is that
- A. exports don't equal imports.
 - B. exchange rates fluctuate too much.
 - C. some goods aren't internationally traded.
 - D. most business cycles are caused by shocks to aggregate demand.
57. The marginal tax rate is
- A. the fraction of an additional rupee of income that must be paid in taxes.
 - B. the total amount of taxes paid divided by after-tax income.
 - C. the total amount of taxes paid divided by before-tax income.
 - D. the average amount of government spending that is financed by taxes.
- 58. According to the Ricardian equivalence proposition, current deficits
- A. will not affect consumption or national saving.
 - B. will affect consumption but not national saving.
 - C. will affect national saving but not consumption.
 - D. will affect both consumption and national saving.
59. Immiserizing growth is most likely to occur if
- A. growth is concentrated in a country's import sector.
 - B. growth is balanced across exports and imports.
 - C. growth is concentrated in goods with high world demand elasticity.
 - D. growth is concentrated in a country's export sector.
60. Coase Theorem states that
- A. Zero pollution is socially optimal level of output
 - B. Social welfare is maximized when marginal benefit minus marginal cost is maximized
 - C. Under certain conditions, bargaining between parties can lead to socially optimal outcome
 - D. Both A and B

61. In Krugman's Core-periphery model, spatial concentration of economic activity depends on

- A. Transport cost
- B. Factor mobility
- C. Share of manufacturing in GDP
- D. A, B and C together

62. Metcalfe's law deals with

- A. Platform revolution
- B. Agglomeration externalities
- C. Network externalities
- D. Both A and B

63. Marginal cost pricing with economies of scale leads to

- A. Average Cost < Marginal Cost
- B. Price > Average Cost
- C. Price < Marginal Cost
- D. Price < Average Cost

64. New Economic Growth is concerned with which of the following. 1. Demand side cumulative and circular causation, 2. Supply side cumulative and circular causation, and 3. Interplay between centripetal and centrifugal forces.

- A. 1 and 2
- B. 2 and 3
- C. 1, 2, and 3
- D. 1 and 3

65. Scope economies arise when

- A. There are economies of scale
- B. Economies of density
- C. Cost of joint production is lower than cost of individual production
- D. Both A and B

66. Consumer surplus is maximum when

- A. producer surplus is minimum
- B. Price = Average Cost
- C. Price = Marginal Cost
- D. Price is based on Ramsey pricing

67. Under Pigouvian pollution toll scheme, one needs to know the position of

- A. Marginal damage function for pollution
- B. Marginal Benefit function for pollution
- C. Both marginal damage and marginal benefit function for pollution
- D. Elasticity of Marginal benefit function with respect to pollution

68. Urban population growth is equal to
- A. Natural increase + Net migration + Reclassification
 - B. Births – Deaths + (In-Migration – Out-Migration) + Annexation of rural areas + new towns
 - C. Both A and B
 - D. Neither A nor B
69. Under constant returns to scale, if wages and the return to capital both rise by 20 percent, then
- A. output prices fall by 20%.
 - B. unit costs of production fall by 20%.
 - C. unit costs of production rise by 20%.
 - D. firms profits rise by 20%
70. The “Leontief paradox” is based on the observation that
- A. the US is relatively capital-abundant, but US exports tend to be relatively capital-intensive.
 - B. the US is relatively capital-abundant, but US imports tend to be relatively capital-intensive.
 - C. the US is relatively labor-abundant, but US imports tend to be relatively capital-intensive.
 - D. the US is relatively labor-abundant, but US imports tend to be relatively labor-intensive.
71. Direct foreign investment
- A. is a general form of international capital flow.
 - B. does not increase profits of MNEs.
 - C. is accounted for by general differences across countries.
 - D. is typically highly industry specific.
72. Tariffs affect employment by
- A. increasing employment in all sectors.
 - B. decreasing employment in all sectors.
 - C. decreasing employment in the import sector and increasing it in the export sector.
 - D. increasing employment in the import sector and decreasing it in the export sector.
73. Dumping is the practice of
- A. buying goods from the cheapest possible source.
 - B. burning some goods to avoid immiserizing growth.
 - C. selling good cheaply to damage foreign competitors.
 - D. levying an import duty to protect against a foreign monopolist.
74. The M_3 measure of money supply compiled by the RBI is ____
- A. Currency + Demand deposits
 - B. Currency + Demand deposits + Time deposits
 - C. Currency + Demand Deposits + Post office savings deposits
 - D. Currency + Demand deposits + Total post office deposits

75. The combination of a successful wage push by workers and the government's objective to achieve high employment leads to
- A. Demand pull inflation C. Supply side inflation
B. Cost push inflation D. Supply shock inflation
76. A natural monopoly occurs when
- A. the monopolist product is sold in its natural state (such as water or diamonds).
B. firms are characterized by rising marginal cost curves.
C. a monopoly firm requires the use of free natural resources (such as water or air) to produce its product.
D. average total cost of production decreases as more output is produced.
77. The National Highway Development Programme started in the
- A. 5th five year plan
B. 6th five year plan
C. 4th five year plan
D. 10th five year plan
78. Who among the following was the Chairman of the Financial Sector Legislative Reforms Commission?
- A. Justice B.N. Srikrishna
B. Justice Debi Prasad
C. Prof. Y H Malegam
D. Justice Shivraj V Patil
79. The book titled "Misbehaving: The Making of Behavioral Economics" is authored by
- A. Richard H Thaler
B. Eugene F Fama
C. Robert J Shiller
D. Daniel Kahneman
80. Who among the following economists mooted the idea of Food coupons in India?
- A. C Rangarajan
B. Ravindra Dholakia
C. Kaushik Basu
D. P R Brahmanand

82. The Liberalized Exchange Rate Management System (LERMS) was launched in India in the year_
- A. 1998
 - B. 1992
 - C. 2001
 - D. 1988
83. The monetary policy committee in its April 2018 meeting kept the policy repo rate under the liquidity adjustment facility (LAF)
- A. at 5%
 - B. at 6%
 - C. at 6.25%
 - D. at 6.5%
84. The 1997 Asian Financial Crisis originated from the country_____
- A. Indonesia
 - B. Japan
 - C. China
 - D. Thailand
85. Which of the following schemes provide an Overdraft facility upto Rs.5000/-?
- A. Pradhan Mantri Jan-Dhan Yojana (PMJDY)
 - B. Pradhan Mantri Fasal Bima Yojna
 - C. Pradhan Mantri Jan Suraksha Yojna
 - D. LIC's Jeevan Mangal
86. Consider the following operations/schemes and choose the correct order of their introduction.
1. Liquidity Adjustment Facility 2. Market Stabilisation Scheme 3. Open Market Operations
- A. 3, 1, 2
 - B. 1, 2, 3
 - C. 1, 3, 2
 - D. 2, 3, 1
87. Which of the following is a credit rating agency?
- A. IFCI
 - B. IDBI
 - C. IIBF
 - D. CRISIL
88. Most of the economy's structural unemployment problem can be attributed to the following
- A. relatively few workers who are unemployed a short time.
 - B. relatively few workers who are unemployed a long time.
 - C. a large number of workers who are unemployed a short time.
 - D. a large number of workers who are unemployed a long time.

89. Which of the following can be identified with a problem caused by moral hazard followed by a problem caused by adverse selection?
- A. Someone with auto insurance drives more recklessly; people avoid buying used cars.
 - B. People with average health problems are reluctant to buy health insurance because of its cost; someone with auto insurance drives more recklessly.
 - C. A firm paying low wages faces greater risk of hiring incompetent employees; people avoid buying used cars
 - D. People with greater undisclosed health problems are more likely to buy health insurance; A firm paying low wages faces greater risk of hiring incompetent employees
90. Debit cards issued by banks
- A. are used as a method of payment.
 - B. allow the user to postpone payment.
 - C. are equivalent to credit cards.
 - D. None of the above is correct.
91. In national income accounts, depreciation is known as
- A. consumption of fixed capital
 - B. total tax depreciation
 - C. consumption of circulating capital
 - D. depreciation
92. A Giffen good is
- A. a good for which an increase in the price raises the quantity demanded.
 - B. a good for which an increase in the price lowers the quantity demanded.
 - C. a good for which an increase in the price raises the quantity supplied.
 - D. a good for which a decrease in price raises the quantity supplied.
93. Founders of utilitarianism include
- A. A. Kondratieff and Thomas Malthus.
 - B. Augustin Cournot and Jean B. Say.
 - C. A. C. Pigou and John Maynard Keynes.
 - D. Jeremy Bentham and John Stuart Mill.
94. The rule for redistribution advocated by John Rawls in his book *A Theory of Justice* is known as the
- A. optimizing agent rule.
 - B. maximin criterion.
 - C. egalitarian principle.
 - D. "veil of ignorance" criterion.

95. If firms are found to be encouraged to enter into monopolistically competitive markets,
- A. the diversity of products in the market must be small.
 - B. they are guaranteed economic profits upon entry.
 - C. some firms in the market must be making economic profits.
 - D. no firms can experience economic losses.
96. In a situation where advertising encourages customers to become more informed about all firms in the market,
- A. demand curves for few brands in the market are likely to become less elastic.
 - B. each firm is likely to have less market power.
 - C. firms are able to promote stronger brand loyalty.
 - D. the market power of an individual firm gets strengthened.
97. In the open-economy macroeconomic model, the following can be considered as the key determinant of net foreign investment
- A. real exchange rate.
 - B. real interest rate.
 - C. nominal exchange rate.
 - D. nominal interest rate.
98. The union budget for 2018 presented by the Govt. of India projected the fiscal deficit at
- A. 3.5 % of GDP
 - B. 3.3 % of GDP
 - C. 4 % of GDP
 - D. 4.3 % of GDP
99. The percentage of people living below poverty line as per 2011-12 estimates of the Govt. of India is
- A. 21.9%
 - B. 23%
 - C. 21%
 - D. 20%
100. Which of the following measure of prices is used for the purpose of inflation targeting by the Reserve Bank of India?
- A. CPI
 - B. WPI
 - C. Core Inflation
 - D. GDP Deflator