

SPACE FOR ROUGH USE

This booklet contains 16 printed pages.

ARUNACHAL PRADESH UNIVERSITY
COMMON ENTRANCE TEST-2025
(APUCET-2025)

Test Booklet No.

MASTER OF ARTS (ECONOMICS)

OMR Sheet No.

Subject Code

Roll No.

Series

A

Day and Date of Examination: _____

Signature of Candidate: _____

Signature of Invigilator(s): _____

Full Marks: 70

Time: 2 Hours

INSTRUCTIONS

1. Do not open this test booklet until you are told to do so.
2. Candidate must write his/her Roll Number in the space provided.
3. This Test Booklet comprises TWO Sections: Section A consists of 40 Multiple Choice Questions (MCQs) and appropriate option should be marked as answers in the OMR sheet provided. All questions carry 1 mark each. Section B has two essay type questions to be answered in the space provided in the Test Booklet. It carries 15 marks each.
4. There will be no negative marking for a wrong answer.
5. No candidate shall be permitted to enter the Examination Hall after the commencement of the Entrance test and leave the examination hall before the expiry of the examination time.
6. Making any identification mark both in the Test Booklet and the OMR Sheet anywhere other than the specified places will lead to disqualification of the candidate.
7. Handover the Test Booklet and OMR Sheet at the end of the examination to the invigilators.
8. Candidates shall maintain silence inside and outside the examination hall. If candidates are found violating the instructions mentioned herein or announced in the examination hall, they will be summarily disqualified from the entrance test.
9. The use of any electronic items, log table, etc. is prohibited inside the examination hall.
10. Use only **Black Ball Point Pen**.
11. In case of any dispute, the decision of the University Authority shall be final and binding.

SECTION – A
(Each Question Carries ONE Mark)

SPACE FOR ROUGH USE

1. What is the geometric mean of 2, 8, and 18?
 - a) 6
 - b) 8
 - c) $\sqrt[3]{288}$
 - d) $\sqrt[3]{320}$
2. If the Nominal GDP is ₹200 crore and Real GDP is ₹100 crore, what is the GDP Deflator?
 - a) 200
 - b) 100
 - c) 150
 - d) 50
3. Variance is a measure of:
 - a) Central tendency
 - b) Data spread or dispersion
 - c) Frequency
 - d) Skewness
4. Demand is said to be elastic when:
 - a) A small change in price causes a large change in quantity demanded
 - b) Price remains unchanged with quantity changing
 - c) Price and quantity move in the same direction
 - d) Quantity demanded changes only slightly when price changes
5. According to Keynes, consumption depends primarily on:
 - a) Permanent income
 - b) Social norms
 - c) Current income
 - d) Expected inflation
6. If MPC is 0.6, what is the multiplier?
 - a) 2.5
 - b) 4
 - c) 1.5
 - d) 2
7. Which of the following is not a component of HDI?
 - a) Health
 - b) Education
 - c) Income
 - d) Gender equality
8. The primary aim of Zero-Base Budgeting is to:
 - a) Maximize tax collection
 - b) Minimize fiscal deficit
 - c) Eliminate unnecessary expenditures
 - d) Increase public debt

9. What is the main purpose of devaluation?
- To make imports cheaper
 - To reduce exports
 - To improve balance of payments
 - To increase inflation
10. The rate at which RBI lends to commercial banks is called:
- Reverse Repo Rate
 - Repo Rate
 - CRR
 - SLR
11. In calculating GNP, which of the following is excluded?
- Interest payments
 - Rental incomes
 - Government transfer payments
 - Net income from abroad
12. Who was the Chairman of the 15th Finance Commission of India?
- Rangarajan
 - Bimal Jalan
 - Shankar Acharya
 - N. K. Singh
13. A firm in perfect competition cannot increase total revenue by increasing price because—
- It is a price maker
 - It is a price taker
 - $MR = 0$
 - $AR = 0$
14. The Lewis Model is about:
- Shift of surplus labour from agriculture to industrial sector
 - How international trade affects nations' economic growth
 - Long-term link between industry performance and macroeconomic factors
 - Relationship between interest rate and GDP growth
15. The marginal rate of substitution (MRS) diminishes because of:
- Increasing marginal utility
 - Diminishing marginal utility
 - Constant marginal utility
 - Increasing opportunity cost
16. The point where marginal cost equals marginal revenue is:
- Break-even point
 - Shutdown point
 - Profit maximization point
 - Equilibrium point

17. The slope of the indifference curve is known as:
- Budget rate
 - Marginal utility
 - Marginal rate of substitution
 - Price ratio
18. In the Edgeworth box, a contract curve represents:
- Efficient allocations
 - Equal distribution of goods
 - Non-cooperative behavior
 - Iso-cost combinations
19. Rational expectations theory argues that:
- People learn from mistakes slowly
 - Government can easily manipulate output
 - People use all available information to forecast future
 - Demand always creates its own supply
20. Crowding out effect implies that:
- Government spending increases private investment
 - Government spending reduces private investment
 - Taxes reduce public spending
 - Imports crowd out exports
21. A debit entry in the balance of payments account of a country refers to:
- Outflow of foreign currency
 - Inflow of foreign currency
 - Both a. and b.
 - None of the above
22. The foreign exchange market provides:
- Hedging facilities
 - Transfer of funds from one nation to another
 - Short term credit to finance foreign trade
 - All of the above
23. Which measure comes under quantitative credit controls adopted by Central Bank of the country:
- Open market operation
 - Cash reserve ratio
 - Bank rate
 - All of these
24. The optimum tariff is at a point where the elasticity of the offer curve is:
- Less than unity
 - Greater than unity but less than infinity
 - Infinity
 - Unity
25. 'T' denotes the tax revenue, and 'G' refers to the government expenditure. The balance budget can denote as:
- $\sum T = G$
 - $\sum T > G$
 - $\sum T < G$
 - None of these
26. "Public Distribution system" is an example of:
- Public goods
 - Private goods
 - Merit goods
 - Mixed goods

42. Discuss the importance of border trade and connectivity with Southeast Asia in the economic development strategy of Arunachal Pradesh. (15)

27. Which one of the following is not a component of indirect tax:
- | | |
|--------|---------------|
| a) VAT | b) Income tax |
| c) GST | d) Sales tax |
28. Objectives of Fiscal Policy are:
- | | |
|-------------------------------------|---|
| a) To mobilise additional resources | b) To achieve and maintain economic stability |
| c) To stabilize the price level | d) All of the above |
29. Fiscal deficit refers to:
- Difference between total receipts and total expenditure
 - Difference between total receipts and total expenditure excluding borrowing
 - Difference between total revenue and total expenditure
 - None of the above
30. The effects of public expenditure are:
- Economic growth and development, income redistribution, employment generation and sustainability
 - Economic growth and development, employment generation and income redistribution
 - Economic growth and development, and employment
 - Economic growth and development only
31. Who is the chairman of NITI AAYOG:
- | | |
|------------------------|-----------------------|
| a) B.V.R. Subrahmanyam | b) Sanjay Malhotra |
| c) Narendra Modi | d) Nirmala Sitharaman |
32. 'Smart money' is a term used for:
- | | |
|------------------|---------------------------|
| a) FDRs in Banks | b) Demand drafts of Banks |
| c) Credits cards | d) Internet Banking |
33. Who is the father of Green Revolution in India?
- | | |
|----------------------|----------------------|
| a) Dr. P. M. Jha | b) Garry Backer |
| c) M. S. Swaminathan | d) Norman E. Borlaug |
34. National Rural Employment Guarantee Act ensures for how many days of employment in a year in rural areas?
- | | |
|-------------|-------------|
| a) 150 days | b) 110 days |
| c) 365 days | d) 100 days |
35. Which Indian commercial bank became the first in providing mobile ATM service?
- | | |
|--------------|---------------|
| a) HDFC Bank | b) ICICI Bank |
| c) SBI | d) IDBI Bank |
36. Which of the following is a relative measure of dispersion?
- | | |
|-----------------------------|-------------|
| a) Standard deviation | b) Range |
| c) Coefficient of variation | d) Variance |

37. Which is Fisher's ideal method of index number?

- a) $P_{01} = \frac{\Sigma p_1 q_0 + \Sigma p_0 q_1}{\Sigma p_0 q_0 + \Sigma p_1 q_1} \times 100$
- b) $P_{01} = \sqrt{\frac{\Sigma p_1 q_0 + \Sigma p_0 q_1}{\Sigma p_0 q_1 + \Sigma p_1 q_0}} \times 100$
- c) $P_{01} = \frac{\Sigma p_1 q}{\Sigma p_0 q} \times 100$
- d) None of these

38. Karl Pearson's Co-efficient of correlation lies between:

- a) -2 to +2
- b) Zero to +1
- c) -1 to +1
- d) None of the above

39. Arithmetic mean of deviations is equal to:

- a) ∞
- b) 0
- c) 1
- d) 100

40. The sum of all probabilities in a probability distribution is always equal to:

- a) ∞
- b) 0
- c) 1
- d) 100

SECTION – B
(Each Question Carries FIFTEEN Marks)

41. Discuss the tourism potentials of Arunachal Pradesh.

(5+10)

