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**CALICUT UNIVERSITY CENTRALIZED ENTRANCE TEST (CU-CET)
APRIL 2025**

INTEGRATED M.A ECONOMICS

Time : Two Hours

Maximum : 400 Marks

Each question carries 4 marks.

1 mark will be deducted for each wrong answer.

1. If the price of a substitute good increases, the demand for the original good will :
(A) Increase. (B) Decrease.
(C) Remain unchanged. (D) Become zero.
2. What happens to the demand for a normal good when consumer income increases ?
(A) Demand increases. (B) Demand decreases.
(C) Demand remains the same. (D) None of the above.
3. The difference between what a consumer is willing to pay and what they actually pay is known as :
(A) Law of demand. (B) Consumer equilibrium.
(C) Consumer surplus. (D) Consumer revenue.
4. Which type of goods have negative income elasticity of demand ?
(A) Normal goods. (B) Luxury goods.
(C) Inferior goods. (D) Necessities.
5. Other things being the same, the quantity demanded tends to fall as price rises because of :
(A) Bandwagon effect.
(B) Wealth effect.
(C) Demonstration effect.
(D) Substitution and income effects.

Turn over

6. If a good has many close substitutes, its price elasticity of demand is likely to be :
- (A) Elastic. (B) Inelastic
(C) Perfectly inelastic. (D) Unitary elastic.
7. The production function expresses the relationship between :
- (A) Cost and revenue. (B) Inputs and output.
(C) Demand and supply. (D) Profit and loss.
8. As additional units of a variable input are added to a fixed input keeping other factors constant, the additional output initially increases but eventually decreases. This is known as :
- (A) Decreasing returns to scale.
(B) Increasing returns to scale.
(C) The law of variable proportion.
(D) The law of diminishing marginal returns.
9. In the long-run production function, firms can :
- (A) Change only labor inputs. (B) Change only capital inputs.
(C) Change all inputs. (D) Cannot change any input.
10. The cost incurred on producing one extra unit of output is called :
- (A) Total cost. (B) Average cost.
(C) Marginal cost. (D) Fixed cost.
11. Which of the following costs does NOT vary with the level of output ?
- (A) Variable cost. (B) Marginal cost.
(C) Total cost. (D) Fixed cost.
12. Average revenue is equal to :
- (A) Total revenue / quantity sold. (B) Total cost / output.
(C) Marginal revenue \times price. (D) Profit / output.

A producer is said to be in equilibrium when :

- (A) Total revenue is maximized.
- (B) Total cost is minimized.
- (C) Marginal cost = Marginal revenue.
- (D) Average cost = Average revenue.

14. The value of the best alternative that is foregone while making an economic choice, is known as:

- (A) Accounting cost.
- (B) Opportunity cost.
- (C) Sunk cost.
- (D) Value added cost.

15. The Law of Supply states that :

- (A) Price and quantity supplied are inversely related.
- (B) Price and quantity supplied are directly related.
- (C) Supply remains constant regardless of price changes.
- (D) Higher prices reduce supply.

16. Which of the following would cause a rightward shift in the supply curve ?

- (A) An increase in production costs.
- (B) A decrease in the price of the good.
- (C) An improvement in technology.
- (D) Higher taxes on production.

17. What happens to the supply of a good if the government provides subsidies to producers ?

- (A) Supply decreases.
- (B) Supply increases.
- (C) Supply remains unchanged.
- (D) Price becomes perfectly elastic.

18. Which of the following gases is a major contributor to global warming ?

- (A) Oxygen.
- (B) Carbon dioxide.
- (C) Nitrogen.
- (D) Hydrogen.

19. What is the term used to describe the total value of all final goods and services produced by the citizens of a country, regardless of where they are located ?
- (A) GDP. (B) GNP.
(C) NNP. (D) NDP.
20. When a government's proposed total expenditures are greater than its total receipts, it is said to have a :
- (A) Revenue deficit. (B) Revenue surplus.
(C) Budget surplus. (D) Budget deficit.
21. Human capital formation refers to :
- (A) Development of physical infrastructure.
(B) Increase in the number of industries.
(C) Investment in education and healthcare.
(D) Growth in banking and insurance.
22. Net National Product (NNP) is calculated as :
- (A) GDP - Net factor income from abroad.
(B) GDP - Depreciation.
(C) GNP - Depreciation.
(D) GNP - Indirect taxes.
23. Which of the following best represents Real GDP ?
- (A) GDP adjusted for inflation. (B) GDP at current market prices.
(C) GDP plus net indirect taxes. (D) GDP minus depreciation.
24. Which of the following is NOT a component of national income in the income method ?
- (A) Rent. (B) Wages and salaries.
(C) Transfer payments. (D) Interest.

25. Which sector is included in the three-sector circular flow model but not in the two-sector model ?
- (A) Firms. (B) Households.
(C) Government. (D) Foreign sector.
26. Which of the following represents a leakage in the circular flow of income ?
- (A) Investment. (B) Government spending.
(C) Exports. (D) Savings.
27. In an open economy, which additional sector is introduced into the circular flow of income ?
- (A) Banking sector. (B) Foreign sector.
(C) Household sector. (D) Private sector.
28. Which of the following is a component of aggregate demand ?
- (A) Net exports. (B) Supply of raw materials.
(C) Wage rates. (D) Population growth.
29. In a two-sector economy, national income equilibrium is determined when :
- (A) Savings equal investment.
(B) Exports equal imports.
(C) Taxes equal government expenditure.
(D) Consumption equals government spending.
30. The higher the marginal propensity to consume, the :
- (A) Lower the multiplier. (B) Higher the multiplier.
(C) No effect on the multiplier. (D) Multiplier remains constant.
31. If the marginal propensity to save is 0.2, what is the value of the multiplier ?
- (A) 2. (B) 4.
(C) 5. (D) 6.

32. Which of the following is NOT a major function of the Reserve Bank of India ?
- (A) Printing currency notes.
 - (B) Controlling credit.
 - (C) Deciding government spending.
 - (D) Conduct of monetary policy.
33. If a dataset has extreme values, which measure of central tendency is the most reliable ?
- (A) Mean.
 - (B) Median.
 - (C) Mode.
 - (D) Standard deviation.
34. Which of the following is NOT a measure of central tendency ?
- (A) Mean.
 - (B) Median.
 - (C) Mode.
 - (D) Standard deviation.
35. If all values in a dataset are multiplied by 5, what happens to the mean ?
- (A) It remains unchanged.
 - (B) It is multiplied by 5.
 - (C) It is divided by 5.
 - (D) It increases by 5.
36. If the mean of a dataset is greater than the median, the distribution is likely to be :
- (A) Positively skewed.
 - (B) Negatively skewed.
 - (C) Symmetrical.
 - (D) Uniform.
37. The difference between the highest and lowest values in a dataset is known as :
- (A) Standard deviation.
 - (B) Variance.
 - (C) Mean deviation.
 - (D) Range.
38. If all the values in a dataset are identical, the standard deviation is :
- (A) Zero.
 - (B) One.
 - (C) Infinity.
 - (D) Equal to the mean.

39. If the variance of a dataset is 16, then what is the standard deviation ?
- (A) 2. (B) 4.
(C) 8. (D) 16.
40. Which of the following correlation values indicates the strongest relationship between two variables ?
- (A) 0.8. (B) 0.5.
(C) - 0.3. (D) - 0.9.
41. Which of the following method is NOT used to calculate correlation ?
- (A) Karl Pearson's method. (B) Spearman's rank method.
(C) Kendall's method. (D) Laspeyres method.
42. An index number is a statistical measure used to compare :
- (A) Absolute values of data.
(B) Relative changes over time.
(C) Only prices of commodities.
(D) Only quantities of commodities.
43. Data arranged in ascending or descending order is called :
- (A) Raw data. (B) Arrayed data.
(C) Qualitative data. (D) Grouped data.
44. Which of the following index numbers is known for using current year weights ?
- (A) Simple Index. (B) Laspeyres Index.
(C) Paasche Index. (D) Fisher's Ideal Index.
45. The process of arranging data in a systematic manner is called :
- (A) Collection of data. (B) Organization of data.
(C) Analysis of data. (D) Interpretation of data.

46. Which of the following is an example of qualitative data ?
- (A) Number of students in a class. (B) Heights of students in a school.
(C) Blood groups of students. (D) Monthly salaries of employees.
47. Which of the following is NOT a primary data collection method ?
- (A) Observation. (B) Questionnaire.
(C) Census. (D) Government reports.
48. The base of the decimal number system is :
- (A) 2. (B) 8.
(C) 10. (D) 16.
49. If $A = \{1, 2, 3, 4\}$ and $B = \{3, 4, 5, 6\}$, then $A \cap B$ is :
- (A) $\{1, 2, 3, 4, 5, 6\}$. (B) $\{1, 2\}$.
(C) $\{3, 4\}$. (D) \emptyset .
50. Which of the following is always true for any two sets A and B ?
- (A) $A \cup B = B \cup A$. (B) $A \cap B = A - B$.
(C) $A \subseteq B$. (D) $A \times B = B \times A$.
51. If $A = \{a, b\}$ and $B = \{1, 2\}$, then $A \times B$ contains how many elements ?
- (A) 2. (B) 4.
(C) 6. (D) 8.
52. If all the elements of a matrix are zero, it is called a :
- (A) Scalar matrix. (B) Null matrix.
(C) Unit matrix. (D) Identity matrix.
53. Which of the following is always true for any matrix A ?
- (A) $A + A = 0$. (B) $A \times A = A$.
(C) $A \times I = A$. (D) $A + I = A$.

54. Differentiation is the process of finding the :
- (A) Area under a curve.
 - (B) Slope of a function.
 - (C) Integral of a function.
 - (D) Maximum value of a function.
55. If $f(x) = x^3 + 3x^2 + 5x + 7$, then the first derivative of $f(x)$ is :
- (A) $f'(x) = 3x^2 + 6x + 5$.
 - (B) $f'(x) = 3x^2 + 6x$.
 - (C) $f'(x) = x^2 + 3x + 5$.
 - (D) $f'(x) = 3x^3 + 6x^2 + 5x$.
56. Which year marks the beginning of India's planned economic development ?
- (A) 1947.
 - (B) 1950.
 - (C) 1951.
 - (D) 1961.
57. Which sector was given top priority in India's First Five-Year Plan ?
- (A) Industry.
 - (B) Agriculture.
 - (C) Services.
 - (D) Infrastructure.
58. The Green Revolution in India was associated with the increase in the production of :
- (A) Cotton and jute.
 - (B) Rice and wheat.
 - (C) Pulses and oilseeds.
 - (D) Fruits and vegetables.
59. Which of the following was NOT a feature of India's economic policy before 1991 ?
- (A) License Raj.
 - (B) Public sector dominance.
 - (C) Free market economy.
 - (D) Import substitution.
60. Under which Prime Minister, the New Economic Policy of 1991 was introduced ?
- (A) Rajiv Gandhi.
 - (B) P.V. Narasimha Rao.
 - (C) Manmohan Singh.
 - (D) Atal Bihari Vajpayee.

61. Which of the following is NOT an indicator in the human development index ?
- (A) Life expectancy. (B) Per capita income.
(C) Population growth. (D) Literacy rate.
62. Which of the following is a major source of commercial energy in India?
- (A) Wind energy. (B) Solar energy.
(C) Coal. (D) Hydropower.
63. The "Make in India" initiative was launched to :
- (A) Increase manufacturing in India.
(B) Promote foreign-direct investment in real estate.
(C) Encourage agricultural growth.
(D) Privatize Indian Railways.
64. Which Indian state has the highest Gross State Domestic Product ?
- (A) Maharashtra. (B) Tamil Nadu.
(C) Gujarat. (D) Karnataka.
65. The Mahatma Gandhi National Rural Employment Guarantee Act guarantees employment for how many days in a year ?
- (A) 100 days. (B) 120 days.
(C) 150 days. (D) 180 days.
66. Which of the following is a key feature of the Goods and Services Tax (GST) ?
- (A) It is applicable only to services.
(B) It replaced multiple indirect taxes.
(C) It is a direct tax.
(D) It is collected only by state governments.

67. According to the Tendulkar Committee, poverty in India is measured based on :
- (A) Calorie intake.
 - (B) Per capita income.
 - (C) Employment status.
 - (D) Monthly per capita consumption expenditure.
68. Which of the following is a measure taken by the Indian government to address urban housing shortage among the lower- and middle-income group categories ?
- (A) Integrated Rural Development Program.
 - (B) Pradhan Mantri Jan Dhan Yojana.
 - (C) Pradhan Mantri Awas Yojana - Urban.
 - (D) Atal Mission for Rejuvenation and Urban Transformation.
69. Which of the following is a measure of health in human capital formation ?
- (A) Gross Domestic Product.
 - (B) Infant Mortality Rate.
 - (C) Stock Market Index.
 - (D) Foreign Exchange Reserves.
70. Which government program aims to improve skill development among youth in India ?
- (A) Ayushman Bharat.
 - (B) MGNREGA.
 - (C) Pradhan Mantri Awas Yojana.
 - (D) Pradhan Mantri Kaushal Vikas Yojana.
71. Which Indian state does have the highest literacy rate as per recent data ?
- (A) Kerala.
 - (B) Tamil Nadu.
 - (C) Karnataka.
 - (D) West Bengal.
72. The term "disguised unemployment" is mostly associated with which sector in India ?
- (A) Manufacturing.
 - (B) Services.
 - (C) Agriculture.
 - (D) IT sector.

73. Which organization in India collects employment-related data ?
- (A) NITI Aayog.
 - (B) Ministry of Education.
 - (C) Ministry of Finance.
 - (D) National Sample Survey Office.
74. The Gig Economy is associated with :
- (A) Permanent government jobs.
 - (B) Temporary and freelance jobs.
 - (C) Agricultural employment.
 - (D) Factory-based employment.
75. The Indian government program that focuses on rural infrastructure development is :
- (A) Make in India.
 - (B) Pradhan Mantri Gram Sadak Yojana.
 - (C) Pradhan Mantri Kaushal Vikas Yojana.
 - (D) Pradhan Mantri Jan Dhan Yojana.
76. Which of the following sectors is included in social infrastructure ?
- (A) Highways.
 - (B) Airports.
 - (C) Education and healthcare.
 - (D) Power plants.
77. The government initiative to improve road connectivity and reduce logistic cost in India by developing a network of expressways and highways, is known as :
- (A) Bharatmala Pariyojana.
 - (B) Sagarmala Pariyojana.
 - (C) Atmanirbhar Abhiyan.
 - (D) Pradhan Mantri Gram Sadak Yojana.
78. Which Indian city is known as the most polluted city in the world according to recent reports?
- (A) Mumbai.
 - (B) Delhi.
 - (C) Chennai.
 - (D) Bengaluru.

79. Which of the following is an example of sustainable development ?
- (A) Cutting forests for urban expansion.
 - (B) Using wind and solar energy.
 - (C) Mining coal at a rapid pace.
 - (D) Dumping plastic waste in rivers.
80. What is the main objective of the Swachh Bharat Abhiyan ?
- (A) Increase industrial production.
 - (B) Promote clean energy.
 - (C) Improve sanitation and hygiene.
 - (D) Expand road infrastructure.
81. The Chipko Movement was associated with :
- (A) River cleaning.
 - (B) Forest conservation.
 - (C) Industrial development.
 - (D) Renewable energy.
82. Which institution is responsible for printing currency notes in India ?
- (A) State Bank of India.
 - (B) Reserve Bank of India.
 - (C) Ministry of Finance.
 - (D) NITI Aayog
83. The largest commercial bank in India in terms of assets and customer base is :
- (A) ICICI Bank.
 - (B) HDFC Bank.
 - (C) State Bank of India.
 - (D) Axis Bank.
84. A budget deficit occurs when :
- (A) Revenue is more than expenditure.
 - (B) Expenditure is more than revenue.
 - (C) Revenue and expenditure are equal.
 - (D) There is no borrowing.

85. Which government agency prepares the Economic Survey of India ?
- (A) NITI Aayog.
 - (B) Reserve Bank of India.
 - (C) Ministry of Finance.
 - (D) Securities and Exchange Board of India.
86. A depreciation of the Indian Rupee (INR) means :
- (A) INR becomes stronger compared to foreign currencies.
 - (B) INR loses value against foreign currencies.
 - (C) India's exports become more expensive.
 - (D) Foreign goods become cheaper in India.
87. Exports and imports of goods and services are included in which account of Balance of Payments ?
- (A) Current account.
 - (B) Capital account.
 - (C) Revenue account.
 - (D) Financial account.
88. Which of the following can help reduce India's current account deficit in Balance of Payments ?
- (A) Increasing imports.
 - (B) Promoting exports.
 - (C) Reducing foreign investments.
 - (D) Increasing fiscal deficit.
89. Which sector contributes the most to India's GDP ?
- (A) Agriculture.
 - (B) Industry.
 - (C) Services.
 - (D) Manufacturing.
90. What is the primary function of the Reserve Bank of India ?
- (A) Regulate the stock market.
 - (B) Control inflation and money supply.
 - (C) Formulate fiscal policies.
 - (D) Implement government policies.

91. Which institution releases the Consumer Price Index in India ?
- (A) Ministry of Finance. (B) Reserve Bank of India.
(C) National Statistical Office. (D) NITI Aayog.
92. Which of the following is NOT a function of Securities and Exchange Board of India ?
- (A) Regulating the stock market. (B) Controlling inflation.
(C) Protecting investor interests. (D) Regulating mutual funds.
93. Which organization calculates India's GDP ?
- (A) Reserve Bank of India. (B) NITI Aayog.
(C) National Statistical Office. (D) Ministry of Finance.
94. What is India's GDP growth rate forecast for FY 2024-25 as per the Economic Survey ?
- (A) 5.5 % (B) 6.4 %.
(C) 7.2 % (D) 8.0 %.
95. Which sector received the highest allocation in the 2024-25 Union Budget ?
- (A) Agriculture. (B) Infrastructure.
(C) Education. (D) Defence.
96. Which of the following is NOT a direct tax ?
- (A) Property tax. (B) Income tax.
(C) Corporate tax. (D) Customs duty.
97. Which of the following committee did recommend the Goods and Services Tax in India ?
- (A) Kelkar Committee. (B) Rangarajan Committee.
(C) Narasimham Committee. (D) Chelliah Committee.
98. In Economics, which factor typically has the MOST influence on basic consumer demand for a product ?
- (A) The product price. (B) The stock price.
(C) Celebrity endorsements. (D) The appearance of the product.

99. If doubling all inputs results in output that is less than doubled, this is called :

- (A) Increasing returns to scale. (B) Constant returns to scale.
(C) Decreasing returns to scale. (D) Zero returns to scale.

100. Which policy aims to transform India into a digitally empowered society and knowledge economy ?

- (A) Skill India. (B) Start-up India.
(C) Digital India. (D) Smart Cities Mission.