

**Examrace**

## Competitive Exams: Economics MCQs (Practice\_Test 83 of 122)

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1. The first quartile derived from a set of observations is 27 and its quartile deviation is 17. What is its third quartile?
  - a. 59
  - b. 61
  - c. 65
  - d. 57
2. What is a cumulative percentage curve called?
  - a. Frequency density curve
  - b. Ogive curve
  - c. Lorenz curve
  - d. Frequency polygon
3. In plan models, which type of model is generally used to check consistency among various sectors?
  - a. Harrod-Domar model
  - b. Input-output model
  - c. Linear programming model
  - d. Solow model
4. Consider the following A dual economy implies
  - a. the existence of domestic and export markets.
  - b. modern industry and commercial agriculture co-existing with subsistence farming and traditional handicrafts.

Which of the statements given above is/are correct?

- a. 1 only
- b. 2 only

- c. Both 1 and 2
  - d. Neither 1 nor 2
5. Theory of linkages is most appropriate for which kind of development models?
- a. Balanced growth models
  - b. Unbalanced growth models
  - c. Population growth models
  - d. One sector growth models
6. With which one of the following is backward bending supply curve usually associated?
- a. Land
  - b. Labour
  - c. Capital
  - d. Organisation
7. Which one of the following statements is correct? An increase in money supply in Keynesian framework results in
- a. a higher level of income and a higher rate of interest
  - b. a lower level of income and a lower rate of interest
  - c. a higher level of income and a lower rate of interest
  - d. a lower level of income and a higher rate of interest
8. Which one of the following statements is correct? A fall in the money supply results in the
- a. rightward shift in the IS curve
  - b. rightward shift in the LM curve
  - c. leftward shift in both the LM curve and the IS curve
  - d. leftward shift in the LM curve only
9. Which one of the following statements is correct? The IS function indicates the
- a. locus of the money market equilibrium
  - b. locus of the commodity market equilibrium
  - c. locus of the labour market equilibrium
  - d. locus of both money and labour market equilibrium

10. Which one of the following statements is correct? According to Keynes, fresh investment would be possible only if
- the marginal efficiency of capital exceeds the rate of interest
  - the marginal efficiency of capital is less than the rate of interest
  - the marginal efficiency of capital is positive
  - the marginal efficiency of capital is negative
11. Which one of the following statements is correct? Autonomous investment is
- functionally related to interest rate
  - functionally related to both income and interest rate
  - functionally related to income alone
  - independent of income and interest rate
12. Consider the following statements
- The MPC is higher in a poor country and lower in a rich country.
  - Higher the MPC, higher will be the value of multiplier.
  - Lower the MPS, lower will be the value of multiplier.

Which of the statements given above are correct?

- 1 and 2
  - 1 and 3
  - 2 and 3
  - 1, 2 and 3
13. Match List-I with List-II and select the correct answer by using the code given below the lists

List-I (Economist)	List-II (Concept)
A. AC Pigou	1. Liquidity Preference
B. JM Keynes	2. Real Balance Effect
C. JR Hicks-AH Hansen	3. Ratchet Effect
D. JS Duesenberry	4. IS-LM Analysis

**A B C D**

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a. 2 1 4 3

b. 4 3 2 1

c. 2 3 4 1

d. 4 1 2 3

14. In the diagram given above, which one of the following is indicated by the point A lying below the IS curve?
- a. Excess demand in the commodity market
  - b. Excess supply in the money market
  - c. Excess supply in the commodity market
  - d. Equilibrium income and interest
15. In the permanent income hypothesis of consumption, components of which one pair has a proportional-relationship?
- a. Permanent income and transitory income
  - b. Permanent income and transitory consumption
  - c. Permanent income and permanent consumption
  - d. Transitory income and transitory consumption

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