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PRACTICE QUESTION PAPER 1

Section 1: Economics

01. In economic decision-making, how is the "opportunity cost" of an action defined?
    a. The total monetary expenditure required for a transaction.
    b. The psychological satisfaction derived from a choice.
    c. The value of the most highly-valued alternative is necessarily sacrificed.
    d. The utility gained from the consumption of a secondary good.

02. Money serves primarily as a __________, facilitating the separation of the acts of sale and purchase.
    a. medium of exchange
    b. static store of value
    c. unit of account only
    d. physical commodity

03. The graphical method used to estimate partition values like Q_1, Q_2 and Q_3 is the:
    a. Histogram b. Frequency Polygon
    c. Ogive d. Scatter Diagram

04. If the Primary sector accounts for 50% of total employment but generates only 20% of the Gross Value Added (GVA), the resultant labour productivity ratio is:
    a. 0.25 b. 0.4
    c. 2.5 d. 4.0

05. A high labour absorption rate in the primary sector coupled with a marginal contribution to the GDP is a symptomatic indicator of:
    a. Utilization of labour-intensive frontier technology.
    b. Transition toward capital-intensive production functions.
    c. Enhanced average productivity of the workforce.
    d. Widespread disguised unemployment and underemployment.

06. What is the "Crude Birth Rate" (CBR), a demographic metric specifically designed to quantify?
    a. The absolute population ceiling.
    b. The incidence of mortality within a cohort.
    c. The number of live births per 1,000 individuals in a given year.
    d. Net spatial mobility and migration patterns.

07. The contemporary role of SHGs, supported by DAY-NRLM, is a powerful instrument for:
    a. Socio-economic empowerment and financial inclusion of women.
    b. Increasing political partisanship in villages.
    c. Enforcing strict population control measures.
    d. Accelerating the conversion of villages into urban centers.

08. The Indian Poverty Line, as conceptualized by the Tendulkar and Rangarajan Committees, is fundamentally anchored on:
    a. Aggregate annual household earnings and gross personal income levels
    b. Monthly Per Capita Consumption Expenditure and caloric intake norms
    c. Individual propensity for capital formation and financial asset saving
    d. Market valuations of inherited property and accumulated physical wealth

09. When did the formal institutionalization of "Economic Planning" in independent India, aimed at structural transformation, commence?
    a. The pre-independence era (1930)
    b. The immediate post-partition year (1947)
    c. The fiscal year 1951 (launch of the First Five-Year Plan)
    d. The onset of the industrial liberalization phase (1960)