

## AUD PG ENTRANCE TEST 2021

### DESCRIPTION OF TEST

**School:** School of Liberal Studies

**Programme:** M.A. Economics

**Duration of test:** 2 hours 30 minutes

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Candidates are expected to be familiar with the material contained in a typical B.A. (Honours) Economics programme. The details of the courses included in the BA (Hons) Economics programme at Ambedkar University Delhi can be accessed [here](#).

The Entrance Examination will test the candidates' ability to understand and apply concepts in the following areas: (a) microeconomics and macroeconomics (b) mathematical methods, logic and reasoning (c) probability, statistics and elementary econometrics and (d) political economy, development economics and Indian economy.

The question paper will include 50 multiple choice questions (MCQs). 25 questions will be of 1 mark each and another 25 questions will be of 2 marks each. The total marks for the paper is 75 marks. Shortlisted candidates will be invited for an interview which will have a weightage of 25 marks. Final merit list will be based on the combined marks out of 100 (written – 75 marks + interview – 25 marks)

**Sample questions:**

- (1) All Velociraptors that are domesticated are winged animals. (ii) No winged animal smokes cigar. From (i) and (ii) we can infer,
  - (a) domesticated animals that smoke cigar are not velociraptors
  - (b) domesticated animals that do not smoke cigar are velociraptors
  - (c) some velociraptors have wings
  - (d) both (a) and (c)
  
- (2) Shipra bought two mobile phones. She then sold the first one for 40% more than she paid for it and the second one for 60% more than she paid for it. She received a total of 54% more money than what she paid for both the mobile phones. The ratio of the prices Shipra paid for the first and the second mobile phone was:
  - (a) 2:3
  - (b) 3:7
  - (c) 10:13
  - (d) 20:27
  
- (3) A bond has a face value of ₹5,000. It will pay ₹500 in interest at the end of every year for the next 45 years. At the time of the last interest payment, 45 years from now, the company that issued the bond will redeem the bond at face value. That is, the company will buy back the bond from its owner at a

- price equal to the face value of the bond. If the interest rate is 10% and is expected to remain at 10%, how much would a rational investor pay for this bond right now?
- ₹5,000
  - ₹27,500
  - More than any of the above amounts
  - Less than any of the above amounts
- (4) Which of the following statements are true?
- Labour is exploited through wage-relationship under both Feudalism and Capitalism
  - Labour has no access to 'means of production' under both Slavery and Capitalism
  - Labour has access to 'means of production' under Slavery and Feudalism
  - All of the above
- (5) Vidya has the utility function  $U(x, y) = \min(2x+y, x+3y)$ . For what values of  $p_x/p_y$  will she wish to consume positive amounts of both commodities?
- For all values of  $p_x/p_y$
  - $p_x/p_y \in [1/3, 2]$
  - $p_x/p_y \in [1/2, 3]$
  - For no value of  $p_x/p_y$
- (6) Which of the following conditions is required for the slope estimator of simple regression model to be efficient?
- The conditional expectation of errors given the explanatory variable is zero
  - The error is normally distributed
  - The variance of conditional expectation of errors given the explanatory variable is constant
  - None of the above
- (7) Comparing the simple Keynesian model with the IS-LM model, in the IS-LM model
- the government spending multiplier is larger
  - the balanced budget multiplier is larger
  - the tax multiplier is smaller
  - there is no difference between any of the multipliers
- (8) Which of the following is true for the 'Diamond-Water Paradox'?
- Impossibility of exchanging diamonds and water
  - High Use-Value for Diamonds and low Exchange-Value for Water
  - High Exchange-Value for Diamonds and High Use-Value of Water
  - Water has a higher price relative to diamonds
- (9) In Marx's Capitalist Exchange  $M \text{ ----- } C \text{ ----- } M'$ , which of the following is true?
- the two ends of the circuit represent the same 'things' and the same 'value'
  - $M'$  cannot be greater than  $M$
  - the two ends of the circuit represent the same 'things' but different 'value'
  - $M$  and  $C$  are different 'things' and have different 'value'

- (10) A continuous function on a closed bounded interval
- (a) Has either a maximum point or a minimum point
  - (b) Has both a unique maximum point and a unique minimum point
  - (c) Has at least one maximum point and at least one minimum point
  - (d) None of the above