

Guidelines for MA Economics Entrance Test

Eligibility: Bachelor's degree with 45% marks (or an equivalent grade) from a recognized university. Relaxation of 5% for candidates belonging to SC, ST and PD categories.

Reservation of seats: In accordance with Government of NCT of Delhi rules.

Admission Procedure

The selection of candidates for admission to MA Economics shall be through a two stage process. The entrance test shall be followed by interviews of **shortlisted** candidates. The final list of successful candidates shall be determined on the basis of performance in the test **and** the interview, the weights for the two components being 75 per cent and 25 per cent respectively.

Entrance Test

Basic analytical and quantitative problem solving skills, understanding of economic concepts covered in any standard undergraduate programme in economics, and awareness of contemporary issues will be tested. The entrance test will have three sections: Section A will have 30 multiple choice questions of 1 mark each; Section B shall include 10 short answer questions of 3 marks each; and Section C, which is of 15 marks, shall require answering questions based on interpretation of a given passage(s).

Sample Questions for Sections A and B (Only for illustrative purposes)

Section A: *Multiple Choice Questions*

1. Under what conditions of duopoly, prices do not change when there are small shifts in cost curves?
 - a) Cournot Solution
 - b) Kinked Demand Curve Solution
 - c) Stackelberg Solution
 - d) Market Shares Solution

2. In an economy with a population growing at the rate of 2 per cent per annum, what would be the (approx.) increase in real per capita GDP from one year to the next if the nominal aggregate GDP grows by 10 per cent over the same period and the annual inflation rate is 9 per cent?
 - a) 8 per cent
 - b) 1 per cent
 - c) 10 per cent
 - d) (-) 1 per cent

3. If $1.5x=0.04y$ then the value of $(y-x)/(y+x)$ is
 - a) $730/77$
 - b) $73/77$
 - c) $7.3/77$

d) None

Section B: *Short Answer Questions*

1. A profit-maximizing firm has three techniques T 1, T 2, and T 3 to choose from for producing the same output. Each technique involves the use of two factors a and b, with prices p_a and p_b respectively, in definite fixed proportions to each other. If the quantities of these factors (q_a, q_b) required to produce a unit of output in T 1, T 2, and T 3 are (4, 2), (3,3) and (2,4) respectively, which technique will the firm choose if $p_a < p_b$.
2. Can the same set of policies be effective in case of demand pull and cost push types of inflation? Discuss
3. The sum of the digits of a two digit number is 8. When 18 is added to the number, the digits are reversed. Find the number?