E-CONTENT FOR M.A ECONOMICS PROGRAMME SEM-II, CC-8
PREPARED BY PROF.DR. RAJ LUXMI, HOD, ECONOMICS
MULTIPLE CHOICE QUESTIONS (MCQ) MODULE 1-5

MODULE-1

1 The book "Money, Interest and Prices" is written by-----
   (a) Tobin (b) Baumol (c) Friedman (d) **Patinkin**

2 The concept of Real Balance Effect is given by---
   (a) Friedman (b) **Patinkin** (c) Tobin (d) Baumol

3 The Neo-classical dichotomization of the goods and money market was criticized by---
   (a) Baumol (b) Lipsey (c) **Patinkin** (d) Tobin

4 The Risk Aversion theory of liquidity preference is given by---
   (a) **Tobin** (b) Patinkin (c) Friedman (d) Baumol

5 Portfolio Selection model of demand for money is given by---
   (a) Patinkin (b) Baumol (c) **Tobin** (d) Friedman

6 The Inventory Theoretic approach is given by -----
   (a) **Baumol** (b) Tobin (c) Friedman (d) Patinkin

7 Baumol's Inventory Theoretic approach relates to which type of demand for money?
   (a) **Transaction** (b) Precautionary (c) Speculative (d) Both (b(&(c)

8 " The Quantity Theory of Money-A Restatement" is written by -----
   (a) Fisher (b) Marshall (c) Pigou (d**) Friedman**

9 The Monetarist Revolution is related to------
   (a) **Friedman** (b) Patinkin (c) Baumol (d) Tobin

MODULE-2

1 The supply of Loanable Funds ,according to neo-classicals comes from--
   (a) Savings (b) Dishoardings (c) Bank Credit (d) **All of these**

2 The demand for Loanable Funds, according to neo-classicals is for---
   (a) Investment (b) Hoarding (c) Consumption (d) **All of these**

3 The aggregate supply curve of Loanable Funds is ------
   (a) **Interest elastic** (b) Interest inelastic (c) None (d) Both (a)&(b)

4 The aggregate demand curve of Loanable Funds is----
   (a) **Interest elastic** (b) Interest inelastic (c) None (d) Both(a)&(b)

5 Keynesian Transaction and Precautionary motives of demand for money are------
   (a) Interest elastic (b) **Income elastic** (c) Investment elastic (d) All

6 At Liquidity Trap the speculative demand for money is-----
   (a) **Perfectly elastic** (b) Perfectly inelastic (c) Both (a)&(b) (d) None

7   Keynesian Liquidity Trap occurs when rate of interest is ----
    (a) Very high (b**) Very low** (c) Moderate (d) Both (a) & (c)

MODULE-3

1   The concept of Inflationary Gap is given by----
    (a) Classicals (b) Monetarists (c) Neo- classicals (d) **Keynes**
2   The equation MV=PQ is given by-------
    (a) Friedman (b) Hansen (c) Keynes (d) **Fisher**
3   The relationship between the rate of unemployment and the rate of money wage changes is examined by---
    (a) Income Table (b) Wage Index (c**) Phillips Curve** (d) Both (a) & (b)
4   According to Friedman there is no trade -off between unemployment and Inflation in---
    (a) Short-Run (b) **Long-Run** (c) Very short Period (d) Both (a) &(c)
5   Tobin's modified Phillips Curve is -----
    (a) **Kinked** (b) U Shaped (c) V Shaped (d) Both (b) &(c)
6   Which of the following is not a Fiscal Measure to control Inflation?
    (a) Issue of new currency (b) Demonetization (c) Credit Control
    (d) **All of these.**
7   which of the following is not a Monetary Measure to control Inflation?
        (a) Increase in Taxes   (b) Increase in Saving
        (c)Reduction in unnecessary expenditure (d) **All of these**

MODULE-4

1   Schumpeter's first approximation of Business cycle is of -----
    (a) **Two-phase** (b) Four- phase (c) Three-phase (d) Both (b) & (c)
2   Schumpeter's second approximation of Business cycle is of----
    (a) Two-phase (b) Three-phase (c) **Four-phase** (d) Both (a) & (b)
3   The Innovative Entrepreneur according to Schumpeter is financed by expansion of-----
    (a) **Bank Credit** (b) Shares (c) Debentures (d) All of these
4   Multiplier- Accelerator model of business cycle is related to ------
    (a) Schumpeter (b) Friedman (c) Kaldor (d) **Samuelson**
5   Which of the following gave a business cycle model based on Multiplier-Accelerator interaction----
    (a) Samuelson (b) Hicks (c) Schumpeter (d) **Both (a &(b)**
6   Who said that the difference between ex-ante saving and investment leads to business cycle----
    (a) **Kaldor** (b) Hicks (c) Samuelson (d) Schumpeter

7　The effectiveness of anti-cyclical Fiscal Policy depends upon----
(a)Nature of public works programme (b) Volume of public works programme (c) Planning of public works programme (d) All of these

MODULE-5

1　The New Classical Macroeconomics was developed by -----
(a) Robert Lucas (b) Thomas Sargent (c) Neil Wallace (d) **All**

2　Rational Expectations Hypothesis is related to-----
(a) Classical Economists (b) Neo-classical Economists
(c)**New Classical Macroeconomics** (d) Both (a) & (b)

3　Who among the followings is not related to New Classical Macroeconomics ?
(a) **Robert Barro** (b) Friedman (c) Hicks (d) Both (b) & (c)

4　The Supply Side Economics advocates-----
(a) **Tax cuts** (b) Expenditure cuts (c) Consumption Cuts
(b) Both (b) & (c)

5　The Rational Expectations Hypothesis has been applied to---
(a) Monetary Policy (b) Fiscal Policy (c) Income policy (d) **All**

6　The concept of Rational Expectations was first put forth by-----
(a) **Johy Muth** (b) Keynes (c) Samuelson (d) None of these

7　Which of the following is the main feature of New Keynesian Economics ?
(a) Sticky nominal money wages (b) Sticky nominal prices
(b) Sticky real wages (d) **All of these**