

LPUNEST Ph.D. Economics
(Sample Questions)

- QUESTION 1** The value of elasticity for Cobb-Douglas production function is
- Option A ∞
Option B 0
Option C 1
Option D -1
- QUESTION 2** When both the goods are complementary, the cross elasticity of demand is
- Option A Positive
Option B Negative
Option C Zero
Option D Either positive or negative
- QUESTION 3** The linear approximation attained by the arc elasticity formula is poorer when the demand curve is
- Option A More concave to the origin
Option B More convex to the origin
Option C Less convex to the origin
Option D Less concave to the origin
- QUESTION 4** A situation in which it is impossible to make any one better-off without making some one worse-off is said to be
- Option A Social-optimal
Option B Welfare-optimal
Option C Pareto-optimal
Option D None of these
- QUESTION 5** Which of the theories given below have been propounded to explain the determination of interest rate?
- Option A Time preference theory
Option B Loanable funds theory
Option C Liquidity preference theory
Option D All of these

