



CAPF AC PYQ

(SUBJECT WISE)

SUBJECT : ECONOMICS

YEAR : 2021

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Telegram Link :- <https://t.me/krishnakuamar>

YouTube Link :- <https://www.youtube.com/@krishnasahu148>

Website Link :- <https://pathtoias.com/>

31. Which one of the following statements about production possibility frontier is **not** correct?

- (a) The production possibility frontier slopes downwards to the right as the resources are limited.
- (b) The different combinations of various goods and services given the available resources and technology are denoted by the production possibility frontier.
- (c) Any point on or inside the production possibility frontier is attainable under the existing technology and resources.
- (d) On the production possibility frontier, the output of one commodity can be increased without changing the output of another commodity.

32. How is the magnitude of price elasticity for an individual good determined?

1. By the degree to which the good is a necessity or luxury
2. By the extent to which substitutes are available
3. By the rate of income growth in the economy
4. By the relative importance of the good in the consumer's budget

Select the correct answer using the code given below.

- (a) 1, 2 and 3
- (b) 1 and 4 only
- (c) 1, 2 and 4
- (d) 3 and 4



33. Which one of the following functions as an automatic stabilizer in the context of fiscal and monetary policies of an economy?

- (a) Personal income tax
- (b) Reverse repo rate of bank
- (c) Open market operation
- (d) Bond price

56. Which one among the following statements is **not** correct?

- (a) When the economy grows slowly than its potential, the unemployment rate rises.
- (b) Structural employment occurs when jobs are eliminated by changes in demand for particular goods or due to automation.
- (c) Recession in the economy leads to cyclical unemployment.
- (d) At full employment, the measured unemployment rate is negative.

58. For anything to be recognized as money, it needs to have which of the following characteristics?

1. Act as an intermediate in the exchange process
2. Standard unit for quoting prices
3. Must be easily divisible
4. Have higher value in alternative uses

Select the correct answer using the code given below.

(a) 1, 2 and 4

(b) 2 and 3 only

(c) 1, 2 and 3

(d) 1, 3 and 4



59. The sectoral shares of Gross Value Added (GVA) for the year 2009–10 to 2018–19 show that the share of service sector in GVA in India has increased over the years. Which among the following have driven the maximum increase?

(a) Electricity, gas, water supply and other utility services

(b) Trade, hotel, transport, communication and services related to broadcasting

(c) Public administration, defence and other services

(d) Financial, real estate and professional services

60. On the basis of employment conditions, the economy is divided into

(a) organized and unorganized sectors

(b) private and public sectors

(c) seasonal and disguised sectors

(d) primary, secondary and tertiary sectors

81. The widespread deaths due to starvation and epidemics are the characteristics of

(a) famine

(b) poverty

(c) civil war

(d) malnutrition



82. The price declared by the Government every year before the sowing season to provide incentives to the farmers is called

(a) buffer price

(b) issue price

(c) minimum support price

(d) fair sustenance price