CUET PG Economics PYQ : 2026 (With Answers)

1.	Sequence the evolution of taxation principles in modern Economics. A. Ability to pay principle B. Benefit principle C. Optimal taxation theory D. Equity and efficiency consideration E. Dead weight loss concept
B, A, D, E, C	A, B, C, D, E
C, D, A, E, B	B, D, A, C, E

2.	Consider the following **Assertion A:** The primary cause of India's recurring balance of payment surplus with Britain during the colonial periods was 'Home-charges'. **Reason R:** 'Home-charges' included expenses such as pension to British officers, interest on India's Public debt held in Britain and Salaries paid in England. In the light of the above statements, choose the most appropriate answer from the options given below:
Both A and R are correct and R is the correct explanation of A	Both A and R are correct but R is NOT the correct explanation of A
A is correct but R is not correct	A is not correct but R is correct
Note: This is as per NTA Answer Key	

3.	A zero economic profit means that the firm is earning a
Normal profit	Abnormal profit
Below normal profit	Only loss

4.	Sequence the Pigouvian externality corrections A. Identify the external cost B. Measure marginal external damage C. Compute marginal social cost D. Taxe quals to marginal external damage E. Welfare improves after corrections
A, B, C, D, E	A, B, C, E, D
A, E, C, B, D	C, A, B, D, E

5.	Select correct answers in regard of Phillips curve A. The short run Phillips curve is negatively sloped B. Long run Phillips curve is steeper in slope than short run curve C. Over the time Phillips curve has tendency to be parallel to x-axis D. The Phillips curve shows positive relationship between inflation and money E. Inflation expectations play a major role in wage negotiations
A, B, C Only	A, B, E Only
A, C, D, E Only	A, B, C, D, E

6.	Consider the following Assertion A: A random variable is a numerical description of the outcome of an experiment Reason R: The particular numerical value of a random variable does not depend on the outcome of the experiment In the light of the above statements, choose the most appropriate answer from the options given below:
Both A and R are correct and R is the correct explanation of A	Both A and R are correct but R is NOT the correct explanation of A
A is correct but R is not correct	A is not correct but R is correct

7.	Sequence the evolution of money demand theories (oldest to latest) A. Friedman's Restatement of quantity theory B. Inventory theory of transactions demand C. Cambridge Cash Balance approach D. Liquidity Preference theory E. Portfolio Balance Model
B, A, C, E, D	A, B, C, D, E
D, C, A, B, E	C, D, B, E, A

8.	Conditional Probability can be calculated by

P (B|A) = P (A∩B)/ P (B)	P (A|B) = P (A∩B)/ P (AB)
P (A|B) = P (A∩B)/ P (B)	P (A|B) = P (A∩B)/ P (A)

9.	Match the LIST-I with LIST-II

LIST-I	LIST-II
A. Liberalisation	I. Selling government share to private sector
B. Privatisation	II. Reducing entry barriers and control
C. Disinvestment	III. Transfer of ownership to private hands
D. Globalisation	IV. Opening up to foreign investment

A-IV, B-III, C-II, D-I	A-I, B-II, C-III, D-IV
A-II, B-III, C-IV, D-I	A-II, B-III, C-I, D-IV

10	Sequence the working of money multiplier in correct order A. RBI Injects High Powered Money B. Banks keep required reserves C. Banks receive deposits D. Banks give loans E. Deposit expansion

A, C, B, D, E	A, B, E, D, C
D, A, B, C, E	D, A, C, B, E

11	Match the LIST-I with LIST-II

LIST-I	LIST-II
A. Expectation Augmented Phillips curve	I. Long run vertical Phillips curve
B. Natural rate of unemployment	II. Excess aggregate demand
C. Demand pull inflation	III. Wage price spiral
D. Cost push inflation	IV. Friedman

A-I, B-II, C-III, D-IV	A-IV, B-II, C-I, D-III
A-IV, B-I, C-II, D-III	A-IV, B-III, C-II, D-I

Question dropped by NTA

12	A. Slope shows (in regression equation) change in y per unit (y is dependent variable) B. Probabilities always remain positive. C. Sampling distribution = distribution of sample statistics D. OLS minimizes the squared error E. Convenience sampling is probability sampling

A, C and D Only	A, B and E Only
A, B, C and D Only	A, B and D Only

13	Consider the following statements. A. IS curve shifts to right when government's expenditure rises. B. LM Curve shifts to left when money supply falls. C. Interactions of IS-LM curve determines equilibrium of interest rate and income. D. A rise in price level shift LM curve to left E. Liquidity trap makes LM curve vertical

A, B, C, D Only	A, B, D, E Only
A, B, C, E Only	B, C, D, E Only

14	The Transmission Mechanism process follows different stages: A. Change in real money supply B. Spending adjusts to change in interest rate C. Portfolio adjustment D. Output adjusts to the change in aggregated demand E. Change in asset price and interest rate

A, B, C, D, E	A, C, E, B, D
B, C, A, E, D	E, B, C, D, A

15	_____ Curve shows all efficient allocation of goods between two consumers, or of two inputs between two production functions

Pareto Curve	Preference Curve
Contract Curve	Competitive Curve

16	Arrange the following as per their establishment (oldest to latest) A. Textile mills in Bombay B. Jute Industry in Bengal C. Iron and Steel Industry in Jamshedpur D. Coal Mining in Raniganj E. Railway as Industrial Catalyst
A, B, C, D, E	E, A, C, D, B
E, B, A, C, D	E, A, B, D, C
Question dropped by NTA	

17	Market failure arises in case of Public good due to
Over pricing	Excludability
Free Rider Problem	Rivalry

18	Consider the following statements Assertion A: For a demand function P = 60 - Q^2 and at price P = 44, point elasticity of demand is -1.375 Reason R: Demand is inelastic In the light of the above statements, choose the most appropriate answer from the options given below:
Both A and R are correct and R is the correct explanation of A	Both A and R are correct but R is NOT the correct explanation of A
A is correct but R is not correct	A is not correct but R is correct

19	The term convex means that the slope of the indifference curve ______ as consumer move ______ along the curve
decreases, up	increases, down
increases, increases	decreases, decreases
Question dropped by NTA	

20	Chronologically arrange the following famines of colonial India A. Chalisa Famine B. Great Famine C. Orisa Famine D. Rajputana Famine E. Bihar Famine

A, B, C, D, E	A, B, E, C, D
A, C, B, D, E	A, C, D, E, B

21	Consider the following statements Assertion A: Monopoly power is the ability to set price above marginal cost and that the amount by which price exceeds marginal cost depends inversely on the elasticity of demand. Reason R: Monopoly power is determined with the more number of firms in the market. In the light of the above statements, choose the most appropriate answer from the options given below:

Both A and R are correct and R is the correct explanation of A	Both A and R are correct but R is NOT the correct explanation of A
A is correct but R is not correct	A is not correct but R is correct

22	Derivative of Average cost (AC) = 5 + 2/Q is

$-2/Q^2$	$2/Q^2$
2/Q	1/Q

23	Consider the following statements. A. Average Fixed Cost (AFC) always decline with increase in output. B. Marginal Cost (MC) intersect AVC and Average Total Cost (ATC) at their minimum point. C. Learning Curve implies cost rises with accumulated output. D. In the long run, all costs are variable. E. Long-run Average Cost (LAC) is envelop of Short-run Average Cost (SAC) curves

A, B, C, D Only	A, B, D, E Only
A, B, C, E Only	A, B, C Only

24	Sequence the following theories/concept (earliest to latest) A. Ordinal Utility B. Cardinal Utility C. Revealed Preference D. Slutsky decomposition E. Modern behavioural economics
A, B, C, D, E	A, B, D, C, E
A, D, B, C, E	B, A, C, D, E
Question dropped by NTA	

25	Goods are substitutes when an increase in price of one leads to __________ of other commodity
a decrease in demand	no change in demand
a decrease in price	an increase in demand

26	Match the partial derivative of function Z = $x^2 + xy^2 + y$

LIST-I	LIST-II
A. Z_x	I. $2y$
B. Z_y	II. $2yx + 1$
C. Z_{xy}	III. $2x + y^2$
D. Z_{yx}	IV. $2y$

A-I, B-III, C-II, D-IV	A-III, B-II, C-I, D-IV
A-II, B-III, C-I, D-IV	A-I, B-II, C-III, D-IV

27	If consumption is C= 40 + 0.75y, Investment is I = 60. The output, consumption and saving at the equilibrium will be _______ respectively
400, 60, 340	340, 400, 60
400, 340, 60	440, 300, 60

28	Consider the following statements Assertion A: Labour relations in colonial industry were often exploitative Reason R: Workers had low-wages, poor working conditions, and minimal labour rights. In the light of the above statements, choose the most appropriate answer from the options given below:

Both A and R are correct and R is the correct explanation of A	Both A and R are correct but R is NOT the correct explanation of A
A is correct but R is not correct	A is not correct but R is correct

29	Arrange the following models in a chronological order (oldest to latest) A. Cournot's Model B. Bertrand Model C. Edgeworth Model D. Chamberlin Model E. Sweezy Kinked Demand Curve

A, B, C, D, E	A, B, D, C, E
A, C, B, D, E	A, C, D, B, E

30	Arrange the steps to compute the coefficient of variations (CV) in correct order. A. Compute standard deviation (SD) B. Divide SD by mean(X) C. Compute Mean (X) D. Multiply the ratio of SD and mean with 100 to express in percentage E. Report CV

C, A, B, D, E	A, B, C, D, E
C, B, D, A, E	D, E, A, B, C

31	Consider the following Assertion A: In the Keynesian model equilibrium output is determined where aggregate demand equals aggregate supply Reason R: Effective demand is the level of demand that will occur, given firm's expectation of profit In the light of the above statements, choose the most appropriate answer from the options given below:	
Both A and R are correct and R is the correct explanation of A		Both A and R are correct but R is NOT the correct explanation of A
A is correct but R is not correct		A is not correct but R is correct

32	Public debt becomes unsustainable when	
Interest rate > Growth rate		Growth rate > Interest rate
Expenditure falls		Taxes rise

33	The Phillips curve shows	
A positive relationship between the real and nominal wage		An inverse relationship between rate of inflation and nominal wage
An inverse relationship between the rate of inflation and the rate of unemployment		A positive relationship between rate of inflation and real wage

34 Match the LIST-I with LIST-II

LIST-I	LIST-II
A. Expectation Augmented Phillips curve	I. Long run vertical Phillips curve
B. Natural rate of unemployment	II. Excess aggregate demand
C. Demand pull inflation	III. Wage price spiral
D. Cost push inflation	IV. Friedman

A-III, B-IV, C-II, D-I	A-IV, B-I, C-II, D-III
A-IV, B-II, C-I, D-III	A-IV, B-II, C-III, D-I

35	Consider the following question for measures of dispersion. A. Range is sensitive to extreme values B. Coefficient of variation (CV) is unit free C. Quartile deviation is $(Q_3-Q_4)/2$ D. Inter Quartile range (IQR) = Q_3-Q_1 E. Variance is square root of standard deviation

A, B and C Only	A, B, C and D Only
A, B, C, D, E	B, C, D and E Only
Question dropped by NTA	

36	Match the LIST-I with LIST-II

LIST-I	LIST-II
A. $\bar{X}$	I. Population Standard Deviation
B. μ	II. Sample mean
C. σ	III. Population mean
D. s	IV. Sample Standard Deviation

A-III, B-II, C-IV, D-I	A-III, B-II, C-I, D-IV
A-II, B-III, C-I, D-IV	A-II, B-III, C-IV, D-I

37	RBI controls the credit in economy by A. Change in CRR B. Change in SLR C. Change in Bank Rate D. Open market operations E. Credit Rationing

A, B, C Only	A, B, E Only
A, B, C, D, E	A, D, E Only

38	Which one of the following is not a principal macro-economic goal?

Full employment	Stable Inflation
Rising standard of living	Maximising firm level profit

39	The occupational structure of India at Independence was dominated by:
Manufacturing	Services
Agriculture	Manufacturing and Services

40	When there is no change in central banks holding of international reserves, a country's:
Trade balance always equals to zero	Current account balance always equals to zero
Capital account balance always equal to zero	Balance of payment always equal to zero

41	Which among the following is not an assumption of Indifference Curve?
Completeness	Transitivity
More is better than less	Unequal Satisfaction

42	Consider the following statements Assertion A: There are increasing returns to scale, if output become more than doubles when inputs are doubled Reason R: Large scale of operation allows managers and workers to specialised in their tasks In the light of the above statements, choose the most appropriate answer from the options given below:
Both A and R are correct and R is the correct explanation of A	Both A and R are correct but R is NOT the correct explanation of A
A is correct but R is not correct	A is not correct but R is correct

43	Consider the following statement in context of Linear Programming Problem (LPP) A. It has an objective function B. It allows negative values of decision variable always C. Its Feasible regions is usually a polygon D. Its Constraint must be linear E. Its Optimal solution lies at corner point
A, C, D Only	A, B, D, E Only
A, C, E Only	A, B, C, D, E

44	The coefficient of variation is a relative measure of variability. It measures the _____ to the _______
Mode, mean	Standard deviation, mean
Quartile, Variance	Standard deviation, median

45	The following two characteristics define a particular type of market A. Close substitute products are sold by firms B. Free entry and exit of firms Select the correct option from below:
Perfect Competition	Monopoly
Oligopoly	Monopolistic Competition

46 Match the LIST-I with LIST-II

LIST-I	LIST-II
A. Efficiency in exchange	I. Externalities
B. Efficiency in the use of inputs	II. $MRS^R_{XY} = MRS^M_{XY}$
C. Efficiency in the output market	III. $MRTS^X_{LK} = MRTS^Y_{LK}$
D. Market failure	IV. $MRT_{XY} = MRS_{XY}$

A-II, B-III, C-IV, D-I	A-III, B-IV, C-I, D-II
A-IV, B-II, C-I, D-III	A-III, B-IV, C-II, D-I

47	Total cost curve of a firm is a
Flow concept	Stock concept
Neither flow nor stock	Either flow or stock

48	Consider the following statements: Assertion A: According to Ricardo's theory a country can benefit from trade even if it has an absolute disadvantage in the production of all the goods. Reason R: What matters for trade is comparative advantage which depends on relative not absolute cost differences. In the light of the above statements, choose the most appropriate answer from the options given below:
Both A and R are correct and R is the correct explanation of A	Both A and R are correct but R is NOT the correct explanation of A
A is correct but R is not correct	A is not correct but R is correct

49	Select the correct statements. A. Fiscal Deficit = Budget Deficit - Interest Payments B. Revenue Deficit = Revenue Expenditure - Revenue Receipts C. Budget Deficit = Total Expenditure - Total Receipts D. Primary Deficit = Fiscal Deficit + Interest Payments E. Current Deficit = Budget Deficit + Borrowings	
B, C Only		A, B, C Only
A, C, D, E Only		A, D, E Only

50	On recommendation of which committee, the Competition Act, 2002 was implemented	
Raghavan Committee		Raghuram Committee
Patel Committee		Kelkar Committee

51	Which institution formulates monetary policy?	
Ministry of Finance		Central Bank
Private Bank		Stock Exchange

52	The estimated regression equation is $\hat{y} = 60+5X$ What is the slope of this regression equation?	
12		60
5		300

53	If $TC = Q^3/3 + 20$, What will be MC?	
$3Q^2$		Q^2
Q/3		20

54	Arrange the following in chronological (oldest to latest) order: A. Introduction of Income tax in India B. Constitutional Amendment to establish finance commission C. GST in India D. FRBM Act E. 16th Finance Commission	
A, B, D, C, E		A, C, D, B, E
B, A, D, C, E		B, A, E, C, D

55	Arrange the following in correct order to solve a linear system AX = T using matrix inversion. A. Verify that determinant of A is non-zero B. Compute the adjoint C. Compute A^{-1} D. Multiply $A^{-1}T$ to get X E. Set up the co-efficient Matrix A and constant Matrix T

E, A, B, C, D	A, B, C, D, E
E, B, A, D, C	E, A, B, D, C

56 Match the LIST-I with LIST-II

LIST-I	LIST-II
A. Marginal rate of Substitutions	I. Slope of Budget Line
B. Budget Line	II. Rate of Marginal Utility
C. Indifference Curve	III. Locus of equal utility
D. Price Ratio	IV. Constraints based on income

A-II, B-IV, C-III, D-I	A-II, B-III, C-IV, D-I
A-IV, B-III, C-II, D-I	A-II, B-I, C-III, D-IV

57	The permanent income hypothesis was propounded by:

Duesenberry	Brumberg
Modigliani	Friedman

58	Consider the following statements. Assertion A: The nominal interest rate can be misleading guide to cost of borrowing Reason R: The real interest rate is nominal rate of interest plus the rate of inflation In the light of the above statements, choose the most appropriate answer from the options given below:

Both A and R are correct and R is the correct explanation of A	Both A and R are correct but R is NOT the correct explanation of A
A is correct but R is not correct	A is not correct but R is correct

59	Given the matrices, A and B as $A = \begin{bmatrix} 1 & 2 \\ -2 & 4 \end{bmatrix}$; $B = \begin{bmatrix} 3 & -2 \\ 5 & 0 \end{bmatrix}$ What will be AB?

$\begin{bmatrix} 13 & -2 \\ 14 & 4 \end{bmatrix}$	$\begin{bmatrix} 13 & 2 \\ 14 & 4 \end{bmatrix}$
$\begin{bmatrix} -13 & 2 \\ 14 & -4 \end{bmatrix}$	$\begin{bmatrix} 13 & 2 \\ -14 & 4 \end{bmatrix}$

60	The Heckscher-Ohlin theory states that the trade arises due to difference in

Technology	Tastes
Factor Endowments	Government Policies

61	In the short run, if planned purchase exceeds production

Unemployment rises	Inflation rises
Productivity falls	Wage falls

62 Match the LIST-I with LIST-II

LIST-I	LIST-II
A. Contract Curve	I. Shows all efficient allocation of goods
B. Utility Possibility Frontier	II. Shows all efficient allocations of resources measured in term of utility
C. Social Welfare Function	III. Measure the well-being of society as whole in terms of utilities of individual
D. Production Possibility Frontier	IV. Shows the combination of two goods that can be produced

A-I, B-II, C-III, D-IV	A-I, B-III, C-II, D-IV
A-I, B-II, C-IV, D-III	A-I, B-IV, C-III, D-II

63	Match the LIST-I with LIST-II

LIST-I	LIST-II
A. Public Good	I. Rival, non-excludable
B. Club Good	II. Non-rival, Non-exclusion
C. Common Pool resources	III. Rival, Excludable
D. Private Good	IV. Non-rival, Excludable

A-II, B-IV, C-I, D-III	A-IV, B-III, C-II, D-I
A-IV, B-III, C-I, D-II	A-I, B-II, C-III, D-IV

64.	In a two-sector model, let C = 60 + 0.80y I = 116 - 2i L = 0.20y - 5i and M = 120 The LM equation will be
i = 0.04y - 24	i = 0.10y + 88
i = 0.04y + 24	i = 0.10y - 88

65	Which among the following is not a measure of National Income of a country?
Income approach	Product approach
Expenditure approach	Investment approach

66	Select the correct pair of five-year plans and its time range. A. First Plan - (1951-56) B. Fourth Plan - (1972-77) C. Ninth Plan - (1997-2002) D. Tenth Plan - (2002-2007) E. Eleventh Plan - (2007-2012)
A, B, C Only	A, B, C, D Only
A, C, D, E Only	A, B, D, E Only

67	In the Colonial period agriculture credit system was dominated by
Commercial Banks	Co-operatives
Indigenous Money Lenders	State owned banks

68.	Consider the following statements: A. Consumer surplus equals area under demand curve above price line B. Marshall's measure assumes constant marginal utility of money C. Hicksian compensatory variation is better welfare measure than Marshallian surplus D. Consumer surplus is always zero for perfectly elastic demand E. Price elasticity of demand is unitary when total revenue (TR) is maximum

A, B, C, D Only	A, B, E, D Only
A, B, C, E Only	A, B, C, D, E

69	Match the Corresponding Equations LIST-I with Solutions LIST-II

LIST-I	LIST-II
A. $x^2 - 0 = 0$	I. $x = 0, 16$
B. $2x^2 - 32 = 0$	II. $x = \pm 4$
C. $2x^2 + 32 = 0$	III. $x = \pm 0$
D. $2x^2 - 32x = 0$	IV. $x = \pm 4i$

A-I, B-II, C-III, D-IV	A-III, B-II, C-IV, D-I
A-III, B-IV, C-II, D-I	A-IV, B-III, C-II, D-I

70	Consider the statements about monopolistic competition. A. Firms face downward sloping demand curve B. Excess capacity is a long-run property C. Firm is price taker D. Product differentiation is essential in this market E. Selling costs are significant

A, B, D, E Only	A, B, C, D Only
A, B, D Only	A, B, C, D, E

71	Match the LIST-I with LIST-II

LIST-I	LIST-II
A. Harrod-Domer Model	I. g=s/v
B. Solow Model	II. MRK = c
C. Golden rule of capital stock	III. k constant, y constant
D. Steady state	IV. Convergence

A-I, B-IV, C-II, D-III	A-I, B-II, C-III, D-IV
A-IV, B-III, C-II, D-I	A-IV, B-III, C-I, D-II

72	In context of features of Indian Economy during British period, Match the LIST-I with LIST-II

LIST-I	LIST-II
A. National Income	I. Growing but with very high death rates
B. Per-capita Income	II. Very low and barely rising
C. Population	III. Increasing dependency on agriculture
D. Occupational Structure	IV. Almost stagnant

A-IV, B-III, C-II, D-I	A-IV, B-II, C-I, D-III
A-IV, B-I, C-II, D-III	A-IV, B-II, C-III, D-I

73	Money has following functions A. Medium of Exchange B. Unit of account C. Store of value D. Measure of Economic Uncertainty E. Measure of Happiness

A, B, C Only	A, B, C, D Only
A, C, D, E Only	A, D, E Only

74	The interest rate and price level are jointly determined by simultaneous equilibrium of:

Different goods market	Different capital market
Goods and money market	Different financial market

75	The efficient level of output is the level at which price of product is _______ marginal social cost (MSC).

more than	lower than
equal to	uncertain

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