

MA Applied Economics Entrance Examination (2026) Sample Question Paper

Part A: Multiple Choice Questions: Each question has only one correct answer.

Section 1: Reasoning and Aptitude

1. The opportunity cost of a choice is the value of the best alternative given up. On Saturday, Meena can work at a shop for ₹600, tutor a student for ₹800, or attend a free skills workshop. She can do only one thing. She chooses the workshop. What is the opportunity cost of her choice?

- (a) ₹0
- (b) ₹600
- (c) ₹800
- (d) ₹1,400

2. To reduce its rat population, a town pays ₹10 for every dead rat brought to the municipal office. Which outcome is the town least likely to have intended, but one should expect?

- (a) Some people start breeding rats to collect the payment
- (b) The rat population falls quickly and stays low
- (c) People stop reporting rats to the municipality
- (d) Fewer people try to catch rats

3. A survey finds that households with bank accounts have higher incomes than households without them. A newspaper concludes: "Opening a bank account raises a household's income". Which of the following, if true, most weakens this conclusion?

- (a) Households with accounts save more each month
- (b) Households with higher incomes are more likely to open accounts in the first place
- (c) The survey covered 5,000 households across 12 districts
- (d) Bank accounts make it easier to receive wages on time

Section 2: Socio-Economic Awareness

1. A city records rapid GDP growth but also rising informal settlements and inadequate sanitation. Which statement is most appropriate?

- (a) The city cannot be experiencing economic growth
- (b) Economic growth does not necessarily translate equally into improvements in wellbeing
- (c) Urbanisation always reduces wellbeing
- (d) GDP growth directly measures sanitation

2. Reservation for Scheduled Castes and Scheduled Tribes is an example of

- (a) Monetary policy
- (b) Affirmative action
- (c) Trade policy
- (d) Privatisation

3. Two states have similar per-capita incomes, but one has substantially lower infant mortality. This illustrates that:

- (a) Income and development are identical
- (b) Income alone does not capture all dimensions of development
- (c) Infant mortality measures inflation
- (d) GDP measures health directly

Section 3: Quantitative Skills

1. Reading the table answer the following: which sector experienced a decline in its employment share between 2015 and 2025?

Employment by sector	Year	
	2015	2025
Agriculture	50%	40%
Industry	20%	25%
Services	30%	35%

- (a) Services
- (b) Industry
- (c) Agriculture
- (d) Industry and Services

2. In a village of 800 working-age adults, 200 are employed in agriculture. What percentage of working-age adults are employed in agriculture?

- (a) 20%
- (b) 25%
- (c) 40%
- (d) 60%

3. If 40% of 500 households have access to piped water, what is the ratio of households which are without access to piped water with respect to households which have access to piped water?

- (a) 4:3
- (b) 5:3
- (c) 3:2
- (d) 3:4

Part B: Writing Skills

Section 4: Short Essay

1. Prices of everyday items such as vegetables, cooking oil, petrol and rent have gone up over the years. Write an essay of 300-400 words on how rising prices affect the daily life of an ordinary family. You may draw on your own household, your neighbourhood or what you have read or seen in the news. Say what, in your view, can be done to help families cope.

Section 5: Interpretation

1. Carefully read the following paragraphs and answer the subsequent question

From MGNREGA to VBGRAMG

MGNREGA (2005) gave every rural household a legal right to up to 100 days of paid manual work a year, with the central government paying almost all wages for however much work people demanded. Since 1 July 2026, a new law, VB-G RAM G, has replaced it, promising 125 days and weekly wage payments.

A field researcher argues that the new law improves the promise but weakens the guarantee. States now receive a fixed budget ceiling and must pay 40 per cent of wages, so a state short of money may simply offer less work. States may also stop all work for up to 60 days during sowing and harvesting. The author found landless women being offered private farm wages of about one-third of the programme wage; the option of government work was what pushed those wages up.

He points out that during the 2020–21 COVID-19 lockdown, work under MGNREGA rose by about 40 per cent because funding could grow with demand. A guarantee that cannot expand when need expands, he concludes, is no longer really a guarantee.

Adapted from Kasim Saiyyad, "[From MGNREGA to VB-G Ram G: A Field Researcher's Take](#)", Tata-Cornell Institute blog, 12 January 2026.

- (a) What does the author mean when he says: “(T)he new law improves the promise but weakens the guarantee.”? (Approximate 200 words)
- (b) What can be the probable reasons according to you for the rise in the MGNREGA work during Covid-19 lockdown? (Approximate 300 words)