

Sample MCQ – Public Choice

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| 1. | According to Public Choice theory, how is the Leviathanic Government to be Chained? |
| a. | Voting Rules |
| b. | Interest Groups |
| c. | Constitution |
| d. | Collective choice |
| 2. | Rawls sees liberty as: |
| a. | A Necessary good |
| b. | A Luxury Good |
| c. | A Basic good |
| d. | A Means to an end |
| 3. | Concept of “thin veil of Ignorance” is associated with: |
| a. | John Rawls |
| b. | Ken Binmore |
| c. | Kenneth Arrow |
| d. | Robert Nozick |
| 4. | Rae Taylor Theorem is based on which of these assumptions? |
| a. | Unequal intensity |
| b. | High intensity |
| c. | Equal intensity |
| d. | Low intensity |
| 5. | Rawls defines welfare in terms of |
| a. | Utility indices |
| b. | Relative utility |
| c. | Luxury goods |
| d. | Primary Goods |
| 6. | Which of the following preference structures are required for Majority Rule to |

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| | yield an outcome? |
| a. | Single Peaked preferences |
| b. | Dual Peaked preferences |
| c. | Threee Peaked preferences |
| d. | Multi peaked preferences |
| 7. | The existence of cycling implies which of the following: |
| a. | Transitive social preference |
| b. | Intransitive social preference |
| c. | Complete Social preference |
| d. | Incomplete Social preference |
| 8. | Which of the following statements is true about Borda Count |
| a. | It is prone to tyranny of majority |
| b. | It is prone to cycling |
| c. | It is not highly prone to strategic behaviour |
| d. | It is highly prone to strategic behavior |
| 9. | What sized interest groups are less able to come together and act in common interest? |
| a. | Smaller interest groups |
| b. | Middle size interest groups |
| c. | Larger interest groups |
| d. | Size of interest group does not matter |
| 10. | Political Business Cycles arise on account of which of the following |
| a. | Trade off between unemployment and growth |
| b. | Trade off between inflation and growth |
| c. | Trade off between inflation and unemployment |
| d. | Trade off between recession and growth |
| 11. | What does the Median Voter theorem, in a multidimensional case state? |
| a. | The necessary and sufficient condition for E to be a dominant point under majority rule is that it be a median in one direction. |

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| b. | The necessary and sufficient condition for E to be a dominant point under majority rule is that it be a median in all directions. |
| c. | The necessary and sufficient condition for E to be a dominant point under majority rule is that it be a median in two directions |
| d. | The necessary and sufficient condition for E to be a dominant point under majority rule is that it should not be a median. |
| 12. | Median Voter Theorem states that |
| a. | If x is a single dimensional issue and all voters have single peaked preferences defined over x, then x_m , the median position, loses under majority rule. |
| b. | If x is a single dimensional issue and all voters have multi peaked preferences defined over x, then x_m , the median position, cannot lose under majority rule. |
| c. | If x is a single dimensional issue and all voters have single peaked preferences defined over x, then x_m , the median position, cannot lose under majority rule. |
| d. | If x is a single dimensional issue and all voters have multi peaked preferences defined over x, then x_m , the median position, loses under majority rule. |
| 13. | How can Free Riding activity be stopped in case of interest groups? |
| a. | By giving them freedom to operate |
| b. | By giving them no freedom to operate |
| c. | By giving separate and selective incentives |
| d. | By giving them some freedom to operate |
| 14. | Who is the author of the book "Logic of Collective Action"? |
| a. | Charles Rowley |
| b. | Mancur Olson |
| c. | James Buchanan |
| d. | William Nordhaus |
| 15. | Which of the following statements is true as regards Informative Campaigning: |
| a. | Informative campaigning by both candidates reduces the likelihood that the candidates nearest the ideal point of the median voter wins |
| b. | Informative campaigning by both candidates has no effect on the likelihood that the candidates nearest the ideal point of the median voter wins |
| c. | Informative campaigning by both candidates has adverse effect on the likelihood that the candidates nearest the ideal point of the median voter wins |

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| d. | Informative campaigning by both candidates increases the likelihood that the candidates nearest the ideal point of the median voter wins |
| 16 | Baumol Effect implies which of the following: |
| a. | a relative increase in the price of govt-provided "goods" given that most of them are services |
| b. | A relative fall in the price of govt-provided "goods" given that most of them are services |
| c. | a relative increase in the price of privately provided "goods" given that most of them are services |
| d. | A relative fall in the price of privately provided "goods" given that most of them are services |
| 17. | Which of the following is the cause for government growth according to Sam Peltzman |
| a. | Increasing inequality of income |
| b. | Increasing equality of income |
| c. | Increasing public debt |
| d. | Increasing tax revenue |
| 18. | In Niskanen's model of government growth which actor contributes to government growth? |
| a. | Interest Groups |
| b. | Bureaucracy |
| c. | Politicians |
| d. | Voters |
| 19. | Flypaper effect refers to which of the following: |
| a. | A phenomenon whereby expenditure stimulus from conditional grants exceeds that from an equivalent increase in income. |
| b. | A phenomenon whereby expenditure stimulus from unconditional grants is less than that from an equivalent increase in income. |
| c. | A phenomenon whereby expenditure stimulus from unconditional grants exceeds that from an equivalent increase in income. |
| d. | A phenomenon whereby expenditure stimulus from conditional grants is less than that from an equivalent increase in income. |
| 20. | 'conditional' grants refer to which of the following: |

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| a. | Grants which place conditions on their source |
| b. | Grants which are given by the central government |
| c. | Grants which place conditions on their usage |
| d. | Grants which are given by the state government |
| 21. | Leviathan Model implies which of the following: |
| a. | ceteris paribus, the total government size of the public sector varies directly with the extent of fiscal decentralization. |
| b. | ceteris paribus, the total government size of the public sector does not vary with the extent of fiscal decentralization |
| c. | ceteris paribus, the total government size of the public sector varies inversely with the extent of fiscal decentralization. |
| d. | ceteris paribus, the total government size of the public sector varies strongly with the extent of fiscal decentralization |
| 22. | In myopic and polarization view, political instability is related to |
| a. | Ethnic fractionalization |
| b. | Polarization of ideology among parties |
| c. | Number of government changes |
| d. | Single party majority governments |
| 23. | In India what has been the main characteristic of political instability? |
| a. | Societal unrest |
| b. | Regime change |
| c. | Rapid turnover of governments |
| d. | Strikes |
| 24. | In his work 'Political Man' how does Lipset defines a country as stable? |
| a. | If it has been a liberal democracy or dictatorship for 50 years |
| b. | If it has been a liberal democracy or dictatorship for 75 years |
| c. | If it has been a liberal democracy or dictatorship for 25 years |
| d. | If it has been a liberal democracy or dictatorship for 100 years |
| 25. | What do bureaucrats seek to maximize? |
| a. | Subordinates |

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| b. | Work ethics |
| c. | Budget |
| d. | Work efficiency |