

BAIO LEARN TOGETHER

UGC NET & WB SET EDUCATION (2019 – 2026)

EXHAUSTIVE TOPIC-WISE PYQ PRACTICE SET

Unit 2: History, Politics and Economics of Education

Sub-Unit C: Concept of Economics of Education

IMPORTANT NOTICE — BAIO LEARN TOGETHER CBT MODE EXAM:

এই ফাইলটি UGC NET এবং WB SET পরীক্ষা (2019 – 2026) থেকে 'Concept of Economics of Education' টপিকের সমস্ত আসল PYQ-এর একটি সংকলন। শিক্ষার্থীদের অনুশীলনের সুবিধার্থে এটি Word Document আকারে প্রদান করা হচ্ছে। মনে রাখবেন, আমাদের মূল পরীক্ষাগুলি BAIO Learn Together App-এ NTA-এর মতো নিখুঁত CBT MODE (Computer Based Test Interface, Timer, Palette, All-India Rank & Performance Analytics)-এ নেওয়া হয়। অ্যাপে মকটেস্ট দিয়ে নিজের প্রস্তুতির মান যাচাই করুন।

Q.1 [UGC NET June 2019]

Which of the following statements is clearly related to the 'Human Capital Theory'?

1. It is useful for describing behavior when two parties have access to different information
2. It represents the aggregate stock of competencies, knowledge, social and personal attributes embodied in the ability to perform labor
3. It holds that education raises wages simply because educational level serves as a signal of workers' innate ability
4. It is primarily used to analyze structural management hierarchies

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.2 [UGC NET Dec 2019]

Below are given some general steps for undertaking Cost-Benefit Analysis (CBA) in an educational project:

- (a) Describing quantitatively the inputs and outputs of the programme/project
- (b) Estimating the social costs and benefits of the inputs and outputs of the programme/project
- (c) Comparing the benefits and costs
- (d) Specifying the programme/project clearly

Select the correct sequence from the options given below:

1. (a), (b), (c), (d)
2. (d), (a), (b), (c)
3. (c), (d), (a), (b)
4. (b), (c), (d), (a)

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.3 [UGC NET Dec 2019]

Identify the specific features associated with Macro-Level Financing in education from the list given below:

- (a) Total economy-based concept
- (b) Unceasing chain of activity
- (c) Addressing a large entity
- (d) Time frame specified
- (e) Having direct effect on an individual
- (f) Minimum scope for risk
- (g) Stressing needs of an individual

Choose your answer from the options given below:

1. (b), (c), (a) and (d)

2. (c), (a), (e) and (b)
3. (d), (e), (b) and (c)
4. (a), (b), (d) and (f)

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.4 [UGC NET Nov 2020]

Which one of the following statements clearly articulates the meaning of 'Unit Cost' in education?

1. Total expenditure incurred by the educational institution
2. Total expenditure divided by the total number of teachers
3. Total expenditure divided by the total number of enrolled students
4. Total income minus the total expenditure of the school

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.5 [UGC NET Nov 2020]

Disadvantages of the 'Bottom-Up Approach' to Budgeting in educational management are that the budget:

- (a) May not be synchronous with the overall objectives of the organization
- (b) Will be more realistic
- (c) Can be quite accurate
- (d) Preparation process may be slow

Select the correct answer from the options given below:

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

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.6 [UGC NET Nov 2020]

What are the primary reasons for the negligible number of studies on Cost-Effectiveness Analysis (CEA) of projects in the field of Education?

- (a) Evaluator's inadequate background in CEA
- (b) Lack of requisite exposure to CEA techniques
- (c) Lack of familiarity of decision-makers with CEA
- (d) Less weightage assigned to educational concepts in CEA

Choose the correct option from the following:

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

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.7 [UGC NET Nov 2020]

Given below are two statements:

Assertion (A): A budget is a balanced estimate of expenditures and receipts of a given period of time.

Reason (R): In the hands of an educational administrator, the budget is a record of past performance, a method of current control, and a projection of future plans.

In the light of the above statements, choose the correct option:

1. Both (A) and (R) are correct and (R) is the correct explanation of (A)
2. Both (A) and (R) are correct but (R) is NOT the correct explanation of (A)

3. (A) is true, but (R) is false
4. (A) is false, but (R) is true

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.8 [UGC NET Dec 2020 / June 2021]

Developing brand equity and enhancing marketing efficiency through educational credentials is emphasized by which theory?

1. Theory of System Analysis
2. Signal Theory
3. Theory of Rational Choice
4. Human Capital Theory

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.9 [UGC NET Dec 2020 / June 2021]

The essential structural components of an educational budget are:

1. Building and Infrastructure
2. Income and Expenditure
3. Policy and Programmes
4. Fees and Salary

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.10 [UGC NET Dec 2020 / June 2021]

Human Capital Theory places primary emphasis on:

- (A) Security of staff
- (B) Staff motivation
- (C) Investment on education
- (D) In-service education of the staff
- (E) Staff recruitment

Choose the correct answer from the options given below:

1. (A), (B) and (E) only
2. (B), (C) and (E) only
3. (B), (C) and (D) only
4. (C), (D) and (E) only

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.11 [UGC NET Dec 2020 / June 2021]

While preparing an institutional budget, which of the following points are considered mandatory?

- (A) Revenue
- (B) Objectives of the institution
- (C) Expenditure
- (D) Community involvement
- (E) Teachers' salary

Choose the correct answer from the options given below:

1. (A), (C) and (D) only
2. (A), (B) and (C) only
3. (B), (C) and (E) only
4. (A), (B) and (D) only

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.12 [UGC NET Dec 2021 / June 2022]

A group of educational institutions invested Rs 200 Crore in the year 2010 to improve student learning outcomes. In order to evaluate whether the investment yielded the desired non-monetary pedagogical results, which analysis should be performed?

1. Cost Benefit Analysis
2. Tangible Benefit Analysis
3. Intangible Benefit Analysis
4. Cost Effectiveness Analysis

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.13 [UGC NET Dec 2021 / June 2022]

The most challenging task in performing Cost-Benefit Analysis (CBA) in the field of education is to determine:

1. Tangible benefits and costs
2. Intangible benefits and costs
3. Private economic costs
4. Total monetary expenditure

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.14 [UGC NET Dec 2021 / June 2022]

The sequence of steps taken by policy makers using 'Rational Choice Theory' in educational finance is:

- A. Discover all alternative policies available to accomplish the values.
- B. Identify all value preferences currently existing in society and assign each a relative weight.
- C. Involve only a small number of persons to allocate values.
- D. Know the total cost and consequences of each alternative policy.
- E. Select the best alternative which is most efficient in terms of costs and benefits.

Choose the correct sequence:

1. B, A, D, E
2. D, B, A, C
3. A, B, C, E
4. C, A, D, E

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.15 [WB SET 2021]

Which of the following represents a non-recurring capital expenditure in an educational institution in India?

1. Furniture and Laboratory equipment construction
2. Laboratory chemicals and consumables
3. Monthly teaching staff salaries
4. Student stipends and maintenance allowance

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.16 [UGC NET Dec 2022]

According to Michael Spence (1973), which among the following assumptions of Signalling Theory are true?

- A. Individuals differ in innate productivity
- B. Productivity is person-specific
- C. Individuals do not know their productivity, but employers do
- D. Acquiring educational signals incurs differential costs across individuals
- E. Productivity is strictly enhanced by schooling in a pure signalling model

Choose the correct answer:

1. A, B and D only

2. B, C and E only
3. A, C and D only
4. A, B, D and E only

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.17 [UGC NET Dec 2022]

Before starting a public school for slum dwellers, the government is required to conduct which type of analysis to maximize educational equity within budgetary constraints?

1. Cost Effectiveness Analysis
2. Cost Benefit Analysis
3. Zero Cost Analysis
4. Budget Surplus Analysis

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.18 [UGC NET Dec 2022]

Which among the following is NOT a direct monetary cost incurred by an individual for acquiring higher education?

1. Tuition Fees paid to institution
2. Books and instructional materials purchased
3. Forgone earnings / Opportunity costs during study period
4. Transportation and hostel living costs

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.19 [UGC NET June 2023]

Which of the following planning and decision-making techniques are widely utilized in educational finance and resource management?

- (A) Critical Path Method (CPM)
- (B) Cost Benefit Analysis (CBA)
- (C) Planning, Programming and Budgeting System (PPBS)
- (D) Managerial Quality Index
- (E) Programme Evaluation Review Technique (PERT)

Choose the correct answer from the options given below:

1. (A) and (D) only
2. (C), (D) and (E) only
3. (B), (D) and (E) only
4. (A), (B), (C) and (E) only

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.20 [UGC NET June 2023]

What are the primary analytical approaches to Cost Analysis in educational economics?

- (A) Cost-Benefit Analysis
- (B) Cost-Feasibility Analysis
- (C) Cost-Utility / Cost-Effectiveness Analysis
- (D) Cost-Empire Modeling
- (E) Cost-Counting Technique

Choose the correct answer:

1. (C), (D) and (E) only
2. (A), (B) and (C) only
3. (A) and (C) only
4. (B), (C), (D) and (E) only

Q.21 [WB SET 2023]

In Educational Economics, 'Opportunity Cost' of primary education for poor rural families refers to:

1. The tuition fees paid to private tutors
2. The expenditure on school uniform and textbooks
3. The income or household labor forgone by sending children to school instead of work
4. The grant provided by the state government per pupil

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.22 [UGC NET Dec 2023]

The foundational economic principles governing Cost-Benefit Analysis (CBA) in education include:

- (A) Explicit Valuation of inputs and outputs
- (B) Intrinsic Value of Freedom
- (C) Consequential Evaluation of policy choices
- (D) Pricing the Intangible
- (E) Additive Accounting of financial impacts

Choose the correct answer from the options given below:

1. (C) only
2. (A) and (B) only
3. (A), (C) and (E) only
4. (B), (C) and (D) only

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.23 [UGC NET Dec 2023]

Which of the following statements accurately reflect the major limitations of Cost-Benefit Analysis (CBA) when applied to educational investments?

- A. Difficulty in assigning precise monetary values to non-market/social benefits
- B. Short-term focus on direct capital costs
- C. Overemphasis on quantifiable economic returns over qualitative social transformation
- D. Inability to incorporate tangible operational costs
- E. Long timeframe required before full economic returns materialize

Choose the correct answer:

1. A, B and E only
2. A, D and E only
3. A, C and E only
4. A, B and D only

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.24 [UGC NET June 2024]

Which economic theory affirms that educational choice is a sequence of selections between binary options of available long-term economic utility and short-term risk of academic failure?

1. Rational Choice Theory
2. Systems Analysis Theory
3. Signalling Theory
4. Human Capital Theory

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.25 [UGC NET June 2024]

Which of the following statements are TRUE regarding the Signalling Theory of Economics of Education?

- (A) Higher educational attainment acts as a credible signal of higher innate capability to employers
- (B) Education directly enhances job-specific worker productivity in all employment sectors
- (C) Individuals with higher ability face lower costs (effort/time) in obtaining educational credentials
- (D) Information asymmetry exists because employers cannot directly observe worker productivity prior to hiring

Choose the correct option:

- 1. (A), (B) and (C) only
- 2. (A), (C) and (D) only
- 3. (B), (C) and (D) only
- 4. (A), (B) and (D) only

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.26 [WB SET 2024]

In Zero-Based Budgeting (ZBB) applied to educational administration:

- 1. The current year budget is prepared by adding a fixed percentage increment to last year's budget
- 2. Every item of expenditure must be justified from a zero base for each new budgeting period
- 3. Only capital expenditures are evaluated while operating costs remain fixed
- 4. Budget allocations are granted strictly based on student pass percentages

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.27 [UGC NET June 2025]

In the context of Educational Finance, 'Macro-Finance' differs from 'Micro-Finance' primarily because Macro-Finance deals with:

- 1. Micro-loans provided to individual students for purchasing uniforms and books
- 2. Institutional departmental allocations for purchasing laboratory equipment
- 3. Large-scale national/regional budget allocations, tax revenue distribution, and public policy impact
- 4. Short-term petty cash management within a single school administration

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Q.28 [UGC NET Dec 2025 (Shift 2)]

Within 'Change Management' and the 'Cost of Quality Framework' in educational management, which of the following combinations is correct?

- 1. Appraisal costs = internal failures such as rework, scrap and downtime
- 2. Failure costs = only external; exclude warranty claims or customer complaints
- 3. Cost-Benefit Analysis differs from Cost-Effective Analysis because it measures only qualitative outcomes
- 4. Preventable costs = proactive investments in training, error-proofing, and system redesign

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.29 [UGC NET Dec 2025 (Shift 2)]

Arrange the following steps of Economic Evaluation and Financial Flow for an educational programme in proper logical sequence:

- A. Cost-benefit and Cost-effectiveness analysis
- B. Estimating cost using ingredient method
- C. Compute private/social return to justify investment
- D. Align funding with budgeting practice
- E. Compare alternatives on a common outcome metric

Choose the correct sequence:

- 1. A, B, E, C, D

2. B, E, A, C, D
3. D, A, C, B, E
4. E, A, C, B, D

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

Q.30 [UGC NET Dec 2025 (Shift 2)]

Match LIST-I (Steps of Policy/Financial Planning) with LIST-II (Purpose):

LIST-I:

- A. Analysis of the existing situation
- B. Setting up goals for the desired situation
- C. Defining mechanisms to evaluate achievement of goals
- D. Choosing the best solution via cost-benefit analysis

LIST-II:

- I. Establish targets/ends that the system should attain
- II. Appraise current conditions and constraints as a starting point
- III. Select among alternatives using economic rationality
- IV. Specify criteria/tools to judge goal attainment

Choose the correct matching option:

1. A-II, B-I, C-IV, D-III
2. A-IV, B-II, C-I, D-III
3. A-III, B-IV, C-I, D-II
4. A-II, B-III, C-IV, D-I

[Status: Answered in App | Mode: CBT Practice | BAIO Learn Together]

ANSWER KEY & EXPLANATORY NOTES

UGC NET & WB SET PYQ Collection (Unit 2 - Sub-Unit C: Economics of Education)

Q. No.	Correct Option	Exam Source	Core Economic Concept & Key Explanation
Q.1	Option 2	UGC NET June 2019	Schultz & Becker: Human Capital Theory views education as an investment in skills, knowledge, and attributes that directly enhance worker productivity.
Q.2	Option 2	UGC NET Dec 2019	Steps of CBA: 1. Specify project (d) -> 2. Describe inputs/outputs (a) -> 3. Estimate social costs/benefits (b) -> 4. Compare benefits and costs (c).
Q.3	Option 4	UGC NET Dec 2019	Macro-Level Finance focuses on the total economy, unceasing activity, specified timeframes, and nationwide systemic policy risks.
Q.4	Option 3	UGC NET Nov 2020	Unit Cost = Total Institutional Expenditure ÷ Total Number of Enrolled Students.
Q.5	Option 3	UGC NET Nov 2020	Bottom-Up Budgeting may slow down preparation and can deviate from overarching corporate/macro objectives if uncoordinated.
Q.6	Option 1	UGC NET Nov 2020	CEA studies in education are rare due to evaluator background gaps, lack of exposure, and policy-makers' unfamiliarity with CEA metrics.
Q.7	Option 1	UGC NET Nov 2020	Budget is both an estimate of receipts/expenses (Assertion) and a control/planning tool in administrative hands (Reason). Both true & connected.
Q.8	Option 2	UGC NET Dec 2020 / June 2021	Signalling Theory (Spence): Education serves as a credential/signal of innate ability and brand value rather than directly imparting skills.
Q.9	Option 2	UGC NET Dec 2020 / June 2021	The two core structural pillars of any budget are Income (Receipts) and Expenditure (Outlays).
Q.10	Option 4	UGC NET Dec 2020 / June 2021	Human Capital Theory emphasizes investment in education, in-service training, and staff skill development to raise output.
Q.11	Option 2	UGC NET Dec 2020 / June 2021	Mandatory budget elements: Institutional Objectives, Revenue projections, and Expenditure categorization.
Q.12	Option 4	UGC NET Dec 2021 / June 2022	When outcomes are non-monetary (e.g., student achievement scores / learning outcomes), Cost-Effectiveness Analysis (CEA) must be used.
Q.13	Option 2	UGC NET Dec 2021 / June 2022	Determining intangible/non-monetary benefits and social externalities is the most complex aspect of Cost-Benefit Analysis.
Q.14	Option 1	UGC NET Dec 2021 / June 2022	Rational Choice steps: Value preferences (B) -> Identify alternatives (A) -> Determine costs/consequences (D) -> Select best option (E).
Q.15	Option 1	WB SET 2021	Furniture, building construction, and heavy laboratory equipment are non-recurring capital costs.
Q.16	Option 1	UGC NET Dec 2022	Spence's Signalling Model assumes productivity varies across individuals, signaling is costly, and cost of acquiring signal varies inversely with ability.
Q.17	Option 1	UGC NET Dec 2022	Public schooling for marginalized populations requires Cost-Effectiveness Analysis to evaluate maximum equity per rupee spent.
Q.18	Option 3	UGC NET Dec 2022	Opportunity cost (forgone earnings) is an indirect/implicit cost, whereas tuition fees and books are direct monetary costs.
Q.19	Option 4	UGC NET June 2023	CPM, CBA, PPBS, and PERT are standard quantitative management tools used in educational resource planning.
Q.20	Option 2	UGC NET June 2023	Standard cost approaches in education economics include Cost-Benefit, Cost-Feasibility, and Cost-Utility / Cost-Effectiveness.
Q.21	Option 3	WB SET 2023	Opportunity cost represents the lost alternative earnings or household labor forgone while attending primary school.

Q.22	Option 3	UGC NET Dec 2023	CBA principles: Explicit valuation of inputs/outputs, consequential evaluation of choices, and additive accounting.
Q.23	Option 3	UGC NET Dec 2023	CBA limitations: Difficulty in pricing non-market benefits, overemphasis on quantitative numbers, and long incubation period for returns.
Q.24	Option 1	UGC NET June 2024	Rational Choice Theory models education as binary decisions based on expected utility versus risk of academic/economic failure.
Q.25	Option 2	UGC NET June 2024	Signalling Theory posits information asymmetry between employers & applicants, with education acting as a capability filter.
Q.26	Option 2	WB SET 2024	Zero-Based Budgeting (ZBB) requires every budget item to be justified from scratch ('zero base') each cycle.
Q.27	Option 3	UGC NET June 2025	Macro-Finance focuses on national budget allocations, tax earmarks, and macro-economic public policy impacts.
Q.28	Option 4	UGC NET Dec 2025 (Shift 2)	In Cost of Quality / Quality Management, preventable costs represent proactive investments in training, error-proofing, and redesign.
Q.29	Option 2	UGC NET Dec 2025 (Shift 2)	Economic Evaluation flow: Estimate cost via ingredient method (B) - > Compare on common metric (E) -> Conduct CEA/CBA (A) -> Compute returns (C) -> Align funding (D).
Q.30	Option 1	UGC NET Dec 2025 (Shift 2)	Policy & Budget matching: Existing situation = Appraise conditions (II); Setting goals = Establish targets (I); Mechanisms = Criteria (IV); Solution = CBA (III).

BAIO LEARN TOGETHER — MOCK TEST METHODOLOGY & CBT TEST SERIES SYSTEM

আমরা BAIO Learn Together অ্যাপে NTA UGC NET এবং WB SET পরীক্ষার জন্য একটি বৈজ্ঞানিক ও ৪-স্তরের পরীক্ষা পদ্ধতি অনুসরণ করে থাকি:

- ✂ Topic Wise Test: প্রতিটি নির্দিষ্ট সাব-ইউনিটের (যেমন Unit 2-C: Economics of Education) গহনে গিয়ে ধারণা স্পষ্ট করার পরীক্ষা।
- ✂ Unit Wise Test (একাধিক): প্রতিটি সম্পূর্ণ ইউনিটের (Unit 1 থেকে Unit 10) সামগ্রিক প্রস্তুতির মূল্যায়ন।
- ✂ Multiple Unit Wise Test: একাধিক ইউনিটের সমন্বয় ঘটিয়ে ইন্টার-ডিসিপ্লিনারি প্রশ্ন সমাধানের দক্ষতা বৃদ্ধি।
- ✂ Full Syllabus Wise Test (একাধিক): আসল NTA পরীক্ষার অনুকরণে ১০০টি প্রশ্নের পূর্ণাঙ্গ সময়াবদ্ধ মকটেস্ট।

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