

ICS Part 2 Economics English Medium Chapter 7 Online Test

Sr	Questions	Answers Choice
1	Pakistan is not a member of	A. IMF B. ECO C. OPEC D. World Bank
2	International trade and domestic trade differ because of.	A. Trade restrictions B. Immobility of factors C. Difference in government Policy D. All of the above
3	If Japan and Pakistan start free trade, the difference in wages in two countries will	A. Increase B. Decrease C. Double D. No effect
4	Ric countries have a deficit in their balance of payments	A. Some times B. Never C. Alternate years D. Always
5	Trade between two countries can be useful if the cost ratios of goods are.	A. Equal B. Different C. Undermined D. Decreasing
6	What would encourage trade between two countries.	A. Reduced tariffs B. Quality control C. Different tax systems D. Fixing import quotas
7	Net exports equal	A. Exports x imports B. Exports + imports C. exports - imports D. None of the above
8	Two countries can gain from foreign trade if	A. Cost ratios are different B. Tariff rates are different C. Price ratios are different D. a and c above
9	Pakistan imports some goods and exports other goods primarily because of.	A. Free goods B. Comparative advantage C. Unemployment D. Self Sufficiency
10	Government policy about exports and imports is called.	A. Monetary policy B. Fiscal policy C. Commercial Policy D. Finance policy
11	Theory of comparative advantages was presented by.	A. Ricardo B. Adam Smith C. Hicks D. Arshad
12	Policy of Protection in trade	A. Facilitates trade B. Protects local producers C. Protects foreign producers D. Protects exporters
13	Which of the following is international trade	A. Trade between provinces B. Trade between countries C. Trade between regions D. Trade between continents
14	All are advantages of foreign trade except.	A. People get foreign exchange B. Difference in political system C. Difference in markets D. Difference in ideology
15	Foreign Trade are	A. Benefits developed countries B. Benefits underdeveloped countries C. Benefits all countries D. Benefits all countries

D. Benefits democratic countries

16 What would encourage trade between two countries.

- A. Different tax system
- B. Frontier checks
- C. National currencies
- D. Reduce tariff

17 In foreign trade protection policy means.

- A. Restrictions on imports
- B. Restrictions on exports
- C. Restriction on transfer of foreign exchange
- D. All of the above

18 Foreign trade creates among countries.

- A. Conflicts
- B. Cooperation
- C. Hatred
- D. None

19 A Tariff

- A. Increase the volume trade
- B. Reduces the volume of trade
- C. Has no effect on volume of trade
- D. a and c above

20 Foreign Trade

- A. Increases employment opportunities
- B. Increases international mobility of labour
- C. Increases competition
- D. All of the above