

NAT II Management Science Economy

Sr	Questions	Answers Choice
1	International trade has the benefits:	A. One B. Three C. Two D. Unlimited
2	Under the kinked demand curve model, an increase in marginal cost will lead to:	A. <div>An increase in output level and a decrease in price.</div> B. <div>A decrease in output level and an increase in price.</div> C. <div>A decrease in output level and no change in price.</div> D. <div>Neither a change in output level nor a change in price.</div>
3	Which of the following is TRUE for a Giffen good?	A. Its marginal utility is zero B. Its demand curve is perfectly elastic C. Its substitution effect is positive D. Its demand curve is positively sloped
4	During a year aggregate value of produced goods and services of a country is called:	A. Per-capita income B. Net national income C. Personal income D. Gross national product
5	The price elasticity of demand for any good must be less than or equal to zero unless:	A. The good is a necessity. B. The good is a luxury. C. The good is a Giffen good. D. None of the given options.
6	As compared to existing firms, a new firm entering in monopolist market has:	A. High costs B. Low costs C. Equal costs D. None of the given options
7	Mairani Dam is being built in Balochistan Gomal Zam Dam in NWFP and Diamer Bhasha Dam in the region of:	A. Punjab B. Northern Areas C. NWFP D. Sindh
8	When price falls supply:	A. Expands B. Contracts C. Remains zero D. Becomes fixed
9	Who described Economies as a science of wealth:	A. Pigou B. Adam Smith C. Robbins D. Marshall
10	Price floor results in:	A. All of the given options B. Excess supply. C. Equilibrium D. Excess demand
11	A nation's balance of payments can be affected by changes in:	A. Foreign income B. The differential between domestic and foreign interest rates C. The real exchange rate D. All of the given options
12	The aggregate supply curve is the relationship between:	A. <div>The price level and the real domestic output purchased</div> B. <div>The price level and the real domestic output produced</div> C. <div>The price level which producers are willing to accept and the price level purchasers are willing to pay.</div> D. <div>The real domestic output purchased and the real domestic output produced.</div>
		A. Direct taxes B. Indirect taxes C. Capital taxes D. Income taxes

13	Personal income includes:	B. Indirect taxes C. Undivided profit D. Both 2nd and 3rd
14	How many methods can be used for cultivation:	A. One B. Two C. Three D. Four
15	The Diamer Bhasha Dam will be completed in :	A. 2009 B. 2010 C. 2012 D. 2015
16	Which economist presented the Cardinal Theory of Utility:	A. Marshall B. Canon C. Kroose D. J.B. Say
17	The economy gets maximum prosperity during:	A. Recession B. Recovery C. Boom D. Depression
18	Rent of building is included in:	A. Fixed cost B. Variable cost C. Marginal cost D. Selling cost
19	Who is the writer of Wealth of Nation?	A. Marshall B. Adam Smith C. Robbins D. Keynes
20	Reward for capital is called:	A. Rent B. Interest C. Wages D. Profit