

PPSC Economics Topic 10 Public Finance

Sr	Questions	Answers Choice
1	The impact and incidence of sales tax is	<p>A. On the consumer</p> <p>B. On the seller</p> <p>C. On the producer</p> <p>D. None of these</p>
2	The warfare effect of a quota depend to a considerable extent upon.	<p>A. Who has the quota license</p> <p>B. The size of the quota</p> <p>C. Elasticities of domestic demand and supply</p> <p>D. All of the above</p>
3	The type of business in which an individual has unlimited responsibility for the debts of the organization.	<p>A. Partnership</p> <p>B. Corporation</p> <p>C. Monopoly</p> <p>D. None of these</p>
4	Most commonly referred indicator of inflation is	<p>A. Wholesale price index</p> <p>B. Retail price index</p> <p>C. Consumer price index</p> <p>D. Sensitivity price index</p>
5	Riskless transactions to take advantage of profit opportunities due to a price differential or a yield differential in excess of transaction costs are called	<p>A. deferential actions</p> <p>B. Cash transactions,</p> <p>C. Arbitrage</p> <p>D. Forward transactions</p>
6	In the short run an increase in the quantity of money _____ real GDP and _ the price level.	<p>A. increases ; raises</p> <p>B. does not change ; lowers</p> <p>C. decreases ; raises</p> <p>D. decrease ; lowers</p>
7	Absolute advantage is determined by.,	<p>A. Actual difference in labor productivity between countries.</p> <p>B. Relative difference in labor productivity between countries.</p> <p>C. Both a and b</p> <p>D. neither a and b</p>
8	Which industrialization policy have developing countries used which places emphasis on the comparative advantage principle as argued to resource allocation.	<p>A. Export promotion</p> <p>B. Import substitution</p> <p>C. International commodity agreements</p> <p>D. Multilateral contracts</p>
9	In oligopoly market seller are.	<p>A. Few</p> <p>B. Four</p> <p>C. Some</p> <p>D. A large number</p>
10	The law of demand states that	<p>A. As the quantity demanded rises, the price rises</p> <p>B. As the price rustiest he quantity demined rises</p> <p>C. As the price rises, the quantity demanded falls</p> <p>D. As supply rise, the demand rises</p>
11	A depreciation of the dollar will have its most pronounced impact on imports if the demand for. Imports is.	<p>A. Constant</p> <p>B. Inelastic</p> <p>C. Elastic</p> <p>D. Unitary elastic</p>
12	If an economy experience an increase in productivity it means that.	<p>A. the level of output has risen</p> <p>B. Employees are working harder than before</p> <p>C. Output per unit of input has risen</p> <p>D. Technical change has taken place</p>
13	Compared to the case of perfect competition.	<p>A. Monopolist is more likely to</p> <p>B. Charge a higher price</p> <p>C. Produce a lower quantity of the product</p> <p>D. All of the above</p>
		<p>A. Inputs</p>

14	The production function will be affected by changes in the prices of.	B. Outputs C. Neither D. All of the above
15	Saving means	A. Part of income for investment B. Income for boarding C. Non consumption of income in the current period D. None of the above
16	A demand curve shows the relation between the quantity demanded to a commodity over a given time and.	A. the testes of consumer B. The money income of cosumer C. The price of related commodities D. The price of the commodity
17	John Stuart Mill was the founder of the	A. Theory of reciprocal demand B. Theory of absolute advantage C. Theory of comparative advantage D. Theory of mercantilism
18	In the classical model of Ricardo the direction of trade is delemined by.	A. Absolute advantage B. Comparative advantage C. Physical advantage D. Which way the wind blows
19	The theory of _____ suggests that government can assist domestic competitors.	A. International dumping B. Countervailing duties C. Strategic trade policy D. Export promotion policy
20	The central bank of a country plays a significant role in her macroeconomics performance by regulating the.	A. Money supply B. Supply credit C. Interest rate D. All of these