PPSC Economics Full Book MCQ Test

Sr	Questions	Answers Choice
1	Two commodities are considered to be perfect substitutes for each other if the elasticity of substitution is	A. Positive B. Negative C. Infinite D. None of these
2	Small nations with more than one major trading partner lend to peg the value of their currencies to.	A. gold B. silver C. a single currency D. a basket of currencies
3	It is quantity that expresses a quantity in numbers to allow in numbers to allow more praise measurement.	A. Variable B. Concept C. Attribute D. Definition
4	When the demand curve is vertical its shows that the demand is.	A. Less elastic B. Very high elastic C. Elastic D. Perfectly inelastic
5	During the 1980 empirical evidence indicates that.	A. Poverty re emerged in Pakistan B. Good growth brought down poverty in Pakistan C. Poverty situation showed no change D. None of the above
6	Economics growth can be seen by an outward shift of.	A. The production possibility frontier B. The gross domestic barrier C. The marginal consumption frontier D. The Minimum Efficient scale
7	Capital, as economists use the term.	A. Is the money the firm spends to hire resources B. Is money the firm raises from selling stock C. Refers to the process by which resources are transformed into useful forms D. Refers to things that have already been produced that are in turn used to produce other goods and services.
8	Monetary policy can affect output.	A. this statement is always true B. This statements always false C. This statement is true only in the short run D. This statement is true only in the medium run and the long run
9	Inflation.	A. Reduces the cost of living B. Reduces the standard of living C. Reduce the price of products D. Reduces the purchasing power of a price
10	A supply curve is directly affected by	A. Technology B. Input costs C. Government regulation D. All of the above
11	A rise in the price of bond causes the yield of the bond to.	A. Rise B. Fall C. Remain unchanged D. Rise uf ut's a short term bond, fall if it's a long term bond
12	In a model in which there is no government new investment capital replacement or international trade the market value of final output equals.	A. Aggregate consumption B. The sum of the receipts of economic resources C. The sum of wages rent interest and profit D. All of the above
		A. Balance growth theory

13	Small size of market is the primary cause of under development according to.	B. Unbalance growth theory. C. Big push theory D. Dualistic theories
14	In a typical cartel agreement the cartel maximizes profit when it.	A. Behaves like a monopoly B. Behaves like a perfectly competitive firm C. Behaves like a duopoly D. Is flexible in enforcing production targets
15	Given the saving equation S = - 50 + 0, 20 Y, where s is saving and Y is income.	A. The break even level of income is 240 B. Dissaving takes place if income is 300 C. Consumption expenditures and saving are equal at an income level of 500 D. The MPS is constant for all levels of income
16	A change in the full employment quantity of labor_________ the short run aggregate supply curve and ______ the long run aggregate supply curve.	A. shifts ; shifts B. shifts ; does not shift C. does not shift ; shift D. does not shift ; does not shift
17	A Market situation where the number of buyers is very large and the number of sellers are very small is called.	A. Perfect competition B. Duopoly C. Oligopoly D. In perfect competition
18	The factor endearment model of international trade was developed by.	A. Adam Smith B. David Ricardo C. John Stuart Mill D. Eli Heckscher and Beril Ohlin
19	In the case of an expansionary ___ policy the interest rate rise while in the case of an expansionary _______ policy the interest rate falls.	A. monetary ; monetary B. monetary ; fiscal C. fiscal ; monetary D. fiscal ; fiscal
20	"The quantity demanded increases as its price increases and falls as its price falls" is called given goods, is presented by.	A. Allen B. Marshall C. Adam smith D. Robert griffin