

PPSC Economics Full Book MCQ Test

Sr	Questions	Answers Choice
1	An example of discretionary fiscal policy would be.	A. The operation of the welfare state B. The operation of the progressive federal income tax C. A tax cut adopted to stimulate consumption D. An interest rate cut in plummeted to stimulate consumption
2	If firm earn normal profits.	A. They will aim to leave the industry B. Other firms will join the industry C. The revenue equals total costs D. No profit is made in accounting terms
3	If each element of a row or column is a sum of two elements, the determinant can be expressed as the	A. Sum of two determinants B. Difference of two determinants C. Multiplication of two determinants D. Division of two determinants
4	The imposition of a tariff causes consumption to _____ and imports to.	A. rise , rise B. fall , rise C. fall , fall D. rise , fall
5	If there is cyclical unemployment in the economy the government might.	A. Increase interest rates B. Encourage savings C. Cut taxes D. Reduce government spending
6	In perfect competition.	A. the products firms offer are very similar B. Products are heavily differentiated C. A few firms dominate the market D. Consumers have limited information
7	Monopoly market is characterized by	A. A large number of sellers B. Only one seller C. Thousand of seller D. All of these
8	For commodities, X and Y, the possibilities are X is preferred to Y , Y is preferred to X or X and Y are equally preferred, In indifference curve analysis, this is known as the.	A. Comparability assumption B. Transitivity assumption C. Non satiation assumption D. Reflexivity assumption
9	In the calculation of gross domestic product net exports are.	A. The sum of merchandise trade and services B. The current account plus long term capital C. The value of merchandise exports minus imports D. Short term capital plus the basic balance
10	If there is a price floor there will be	A. Shortages B. Surpluses C. Equilibrium D. None of these
11	Rachel Carson wrote the book	A. Silent spring B. Transpersonal ecology C. Deep ecology D. None of these
12	According to factor price equalization theorem the _____ factor should oppose free trade policies in any given country.	A. Abundant B. Scarce C. Neither D. Can't tell without more information
13	If the price of factor A is Rs.8.00 per hour, and its marginal product is 10 units, and the price of factor B is Rs. 5.00 and its marginal product is 9, is the producer is likely to.	A. Hire more of A and less of B B. Hire more of B and less of A C. Start paying factor A more D. Try to use factor B more productively

14	In the short run an increase in the quantity of money _____ real GDP and _ the price level.	A. increases ; raises B. does not change ; lowers C. decreases ; raises D. decrease ; lowers
15	The low productivity of capital in Pakistan is due to.	A. Low income B. Low saving C. Limited capital market D. All of these
16	Which of the following is not a macro economic issue.	A. Unemployment B. Inflation C. The wages paid to footballers D. Economic growth
17	Which of the following does not represent a barrier to entry into a market.	A. Import quotas B. patent laws C. Government franchises D. Anti trust legislation
18	All economic model ae based on	A. Realistic assumptions B. Assumptions which can never be perfectly realistic C. Unrealistic assumptions D. None of the above
19	Logical rezoning process consists of induction and	A. Generalization B. Deduction C. Verifiability D. Observation
20	The method most commonly used to test the overall significance of a regression is.	A. The t test B. The F -test C. Chi square test D. R
21	The fundamental economic problem faced by all societies is.	A. Unemployment B. Inequality C. Poverty D. Scarcity
22	Primary activities	A. Forestry and fishing B. Steel and chemical industry C. Teachers , doctors D. None of these
23	The fact that the production function relating output to labor becomes flatter as we move from left to right means that.	A. The marginal product of labor is positive B. The marginal product of capital is positive C. There is diminishing marginal productivity of labor D. there is diminishing marginal productivity of capital
24	When planned consumption equals Rs. 40 + 0.90 Yd and planned investment is Rs.50, the equilibrium level of income is.	A. Rs.90 B. Rs.400 C. Rs.500 D. Rs.900
25	An expansionary monetary policy	A. Reduces interest rates B. Increases real output C. Shifts the LM curve to the right D. All of the above
26	Forced labor is one of the greatest injustice in the world according to.	A. Imam Abu Yousaf B. Imam Abu Qasim C. Khalil Jabran D. Ibn e Khaldun
27	Islamic economics is a social science which studies the economics of people living within the frame work of.	A. Islam B. Nationalism C. Arab nationalism D. All of these
28	The nominal interest rate is 5% and the inflation rate is 2% the real interest rate is.	A. 2% B. 3% C. 7% D. 4%
29	Devaluation leads to.	A. Increase in imports B. Increase in exports C. Decline in imports D. None of the above
		A. The price level but not the level of output B. The level of output but not the

30	In the Keynesian model in the long run an increase in the money supply will raise	<p>B. The level of output but not the price level</p> <p>C. Both the level of output and the price level</p> <p>D. Neither the level of output nor the price level</p>
31	The quantity of money demanded varies.	<p>A. Directly with both prices and output</p> <p>B. Inversely with both prices and output</p> <p>C. Directly with prices and inversely with output</p> <p>D. Inversely with prices and directly with output</p>
32	The term skewness refers to.	<p>A. Bulginess</p> <p>B. Lack of symmetry</p> <p>C. symmetrical</p> <p>D. Normal</p>
33	Which exchange rate mechanism calls for frequent redefining of the par value by small amounts to remove payments disequilibrium.	<p>A. Dual exchange rates</p> <p>B. Adjustable pegged exchange rates</p> <p>C. Managed floating exchange rates</p> <p>D. Crawling pegged exchange rates.</p>
34	In monopoly the firm can	<p>A. Price</p> <p>B. Output</p> <p>C. Either price or output</p> <p>D. Both a and b</p>
35	In the short run a competitive firm's supply curve is.	<p>A. Its average variable cost curve to the right of the marginal cost curve.</p> <p>B. Its marginal cost curve above the average variable cost curve.</p> <p>C. Its marginal cost curves above its average cost curve.</p> <p>D. The horizontal summation of the marginal cost curves</p>
36	Health of a country's economy is indicated by	<p>A. Number of doctors per 1,000 population</p> <p>B. Per capital income</p> <p>C. Literacy rate</p> <p>D. None of the above</p>
37	the output where diminishing return to production begin is also the output where	<p>A. Marginal cost is at a minimum.</p> <p>B. Average total cost is at a minimum</p> <p>C. Average variable cost is at a minimum</p> <p>D. Marginal and average</p>
38	Price discrimination is possible	<p>A. Oligopoly</p> <p>B. Duopoly</p> <p>C. Perfect competition</p> <p>D. Monopoly</p>
39	If A and B are symmetric matrices, then A +B is	<p>A. Symmetric</p> <p>B. Non symmetric</p> <p>C. Skew symmetric</p> <p>D. Non skew symmetric</p>
40	Aggregate demand will increase if	<p>A. Consumption falls</p> <p>B. Investment falls</p> <p>C. Exports fall</p> <p>D. imports fall</p>
41	The slope of a horizontal line is.	<p>A. One</p> <p>B. Zero</p> <p>C. Three</p> <p>D. two</p>
42	A tariff -rate quota	<p>A. Is a limit on the number of tariff that a country can place on imports</p> <p>B. Uses a single tariff along with import quotas to restrict imports</p> <p>C. Is decreased to avoid the price increase caused by simple tariffs</p> <p>D. Is a two tier tariff system intended to restrict imports</p>
43	Conspicuous consumption on unproductive assets and luxurious goods is considered against the concept of.	<p>A. Islamic consumption</p> <p>B. Taqva is Islam</p> <p>C. Spending in Islam</p> <p>D. Islamic production</p>
44	Human wants are	<p>A. Always fixed</p> <p>B. Limited</p> <p>C. Unlimited</p> <p>D. Likely to decrease over time</p>

45	All the UDCs of the world are homogeneous in broad sense and.	<p>A. Heterogeneous in narrow sense</p> <p>B. Homogenous in narrow sense also</p> <p>C. Homogenous in human resources</p> <p>D. Homogenous in natural resources</p>
46	Intra industry trade theory.	<p>A. Explains why the United States might export autos and import clothing</p> <p>B. Explains why the United States might export and import differentiated versions of the same product such as different type of autos.</p> <p>C. Assumes that transport costs are very low or do not exist</p> <p>D. Ignores seasonal considerations for agricultural goods</p>
47	Using the Keynesian model the effect of an increase in the effective tax rate on capital would be to cause _____ in the real interest rate and _____ in output in the short run.	<p>A. A decrease ; a decrease</p> <p>B. A decrease ; no change</p> <p>C. No change ; a decrease</p> <p>D. An increase ; an increase</p>
48	Which of the following is not a global organization?	<p>A. IMF</p> <p>B. World bank</p> <p>C. Competition commission</p> <p>D. WTO</p>
49	If a nation has an open economy it means that the nation.	<p>A. Allows private ownership of capital</p> <p>B. Has flexible exchange rates</p> <p>C. Has fixed exchange rates</p> <p>D. Conducts trade with other countries</p>
50	In perfect competition the industry will be in equilibrium.	<p>A. when all the firms earning abnormal profit</p> <p>B. When all the firms earning normal profit</p> <p>C. All firms having loss</p> <p>D. All firms having profit</p>
51	An economy is in inflationary equilibrium A sustained increase in government spending shifts.	<p>A. DAD rightward for one period</p> <p>B. DAD and DAS rightward permanently</p> <p>C. DAD rightward and a new equilibrium</p> <p>D. DAD rightward and a new equilibrium.</p>
52	Negative taxation refers to.	<p>A. Tax rebate</p> <p>B. Subsidies</p> <p>C. Tax evasion</p> <p>D. Tax avoidance</p>
53	If for the output of worth 1 million the stock of capital worth 4 million is required this will be.	<p>A. capital profit ratio</p> <p>B. Output profit ratio</p> <p>C. Capital output ratio</p> <p>D. Capital input ratio</p>
54	Direct investment and security purchases are classified as.	<p>A. Capital account transactions</p> <p>B. Current account transactions</p> <p>C. Unilateral transfer transactions</p> <p>D. Merchandise trade transactions</p>
55	In capitalistic economy price is determined by	<p>A. Supply and production</p> <p>B. Demand and production</p> <p>C. Demand and consumption</p> <p>D. Demand and supply</p>
56	_____ represent the most widely used tool in international finance for measuring the average value of a currency relative to a number of other currencies	<p>A. Nominal exchange rates</p> <p>B. Real exchange rates</p> <p>C. Cross exchange rates</p> <p>D. Exchange rate indexes</p>
57	The concept of carbon credit originated from which one of the following.	<p>A. Earth summit rio de janeiro</p> <p>B. Kyoto protocol</p> <p>C. Montreal protocol</p> <p>D. G-8 summit Helligendamm</p>
58	In a less developed country.	<p>A. The infrastructure is likely to be good.</p> <p>B. Real wages are likely to be high</p> <p>C. Unemployment is likely to be low</p> <p>D. The primary sector is likely to be significant</p>
59	A firm's total revenue is Rs. 4,500 when it sells 15 pairs of boots compared to Rs. 4,480 when it sells 14 pairs,. The marginal revenue of the 15th pair of boots is.	<p>A. Rs.20</p> <p>B. Rs.320</p> <p>C. Rs. 4,480</p> <p>D. Rs. 200</p>

60	According to Keynes the exogenous factors like technology increase in population and discovery of new markets are the reasons. of.	A. Underemployment B. Structural dualism C. Low capital formation D. Secular stagnation
61	The business cycle is not transmitted from one country to another through.	A. Private sector imports and exports B. Economic policy C. The duration of compulsory education D. Labour supply changes
62	Output fell sharply in the transition economies because.	A. Banks were unable to function B. There was little corporate control C. Vital infrastructure was missing D. All of the above
63	The supply curve of a monopolist is always.	A. More elastic B. Less elastic C. undefined D. Steeper
64	What lies is at the heart of the allocation of goods and services in a free market economy.	A. Concerns of equity or equal distribution among individuals. B. The order or command of the ruling government or dictator C. The wishes of consumers in the market D. The price mechanism
65	In which of the following situations will an increase in the money supply have no effect upon equilibrium income.	A. LM is steeply sloped and IS is relatively flat B. LM is vertical and IS is steeply sloped C. LM is steeply sloped and IS is vertical D. LM is relatively flat as is IS
66	Total utility of a commodity is measured by which price of that commodity.	A. Value in use. B. Value in exchange C. Both of above D. None of above
67	Ahmed regression model yields a Durbin Watson d statistic whose value is 0.002. The results indicate.	A. Positive serial correlation B. the presence of multicollinearity C. No serial correlation D. Negative serial correlation
68	A multinational business	A. Sells products abroad B. Produces in more than one country C. Imports from abroad D. Sells only domestically
69	The aggregate demand curve is downward sloping because a higher price level.	A. Makes people wealthier and so they spend more B. Causes higher wages and so people spend more C. Cuts the real value of income and so people spend less D. Decreases the real supply of money decreasing spending.
70	Real business cycle theorists think that most business cycle fluctuations are caused by shocks to.	A. The production function B. The size of the labor force C. The real quantity of government purchases D. The spending and saving decisions of consumers
71	If the price is less than the average cost but higher than the average variable costs.	A. The firm is making a loss and will shut down in the short term. B. The firm is making a profit. C. The firm is making a loss but will continue to produce in the short term D. The firm is making a loss and is making a negative contribution to fixed costs
72	Which of the following would qualify as an aggregate supply shock.	A. An unexpected increase in oil prices B. Seasonally expected increase in oil prices C. An unexpected reduction in consumer confidence D. an anticipated tax cut

73	All of the following are recognized as arms of agricultural price program except.	<p>agricultural commodity price.</p> <p>B. Maintaining some purchasing power of agricultural households</p> <p>C. Shifting the elastic demand for agricultural commodities.</p> <p>D. Appeasing some politically powerful special interest groups</p>
74	The effect of the most favored nation clause is to.	<p>A. Eliminate all tariffs between countries</p> <p>B. Increase all tariff rates between countries.</p> <p>C. Maintain a nondiscriminatory structure of tariffs</p> <p>D. Maintain a discriminatory structure of tariffs</p>
75	Guid up of foreign exchange reserves leads to.	<p>A. Decrease in money supply</p> <p>B. increase in money supply</p> <p>C. contraction in money supply</p> <p>D. None of the above</p>
76	Demand for a normal product may shift outwards if.	<p>A. Price decreases</p> <p>B. The price fo a substitute falls</p> <p>C. the price of a complement rises</p> <p>D. Income falls</p>
77	Improved training of employees would.	<p>A. Shift aggregate supply to the right</p> <p>B. Shift aggregate supply to the left</p> <p>C. Shift aggregate demand to the right</p> <p>D. Shift aggregate demand to the left</p>
78	What technical terminology do economists use to refer to how much the money will multiply as this process unfolds.	<p>A. The multiplier</p> <p>B. The money multiplier</p> <p>C. Required reserve ratio</p> <p>D. Open market operations</p>
79	In developed countries tariffs on raw materials tend to be.	<p>A. Highest of all</p> <p>B. Higher than on manufactured goods</p> <p>C. Equal to tariffs on manufactured goods</p> <p>D. Lower than on manufactured goods</p>
80	What characteristic does statistics emphasizes, as a Method or as a singular noun.	<p>A. Descriptive</p> <p>B. Analytical</p> <p>C. Inferential</p> <p>D. Comparative</p>
81	What is the characteristic of the sample which is selected randomly.	<p>A. It is not average of the whole</p> <p>B. It would be representative</p> <p>C. It would not be equal to the population</p> <p>D. All of the above</p>
82	The Schumpeterian growth model is based upon	<p>A. Inveslors</p> <p>B. Capital formation</p> <p>C. entrepreneurs</p> <p>D. all of these</p>
83	If a country an imposes an import tariff its welfare can improve if	<p>A. The country is a small country's than a larger country.</p> <p>B. Its terms of trade improve enough</p> <p>C. The tariff enhances the welfare of its trading partners</p> <p>D. Its government's tax revenue increase because of the tariff</p>
84	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>
85	Defined as a tentative or working proposition suggested as a solution to a problem.	<p>A. Research</p> <p>B. Objective</p> <p>C. Hypothesis</p> <p>D. Concepts</p>
86	A market is in equilibrium when	<p>A. $Ac = P$</p> <p>B. $MC = MR$</p> <p>C. $AC = AR$</p> <p>D. $TC = TR$</p>
87	In a model in which there is no government new investment capital replacement or international trade the market value of final outout equals.	<p>A. Aggregate consumption</p> <p>B. The sum of the receipts of economic resources</p> <p>C. The sum of wages rent interest</p>

		and profit D. All of the above
88	One of the difference between a perfectly competitive fir's long run equilibrium and the long run equilibrium of a monopolistically competitive firm is that	A. $LMS = MR$ under perfect competition but not under monopolistic competition B. $SAC = LAC$ under perfect competition but not under monopolistic competition C. $SMC = LMC$ under perfect competition but not under monopolistic competition D. $LAC = LMC$ under perfect competition, but not under monopolistic competition
89	Which of the following is not a primary cause of business cycle fluctuations according to real business cycle theory.	A. A change in the production function B. A change in the size of the labor force C. A change in the money supply D. A change in the real quantity of government purchases
90	If a firm triples all inputs and output triples as well the firm is subject to	A. Constant returns to scale B. Increasing returns to scale C. Economies of scale D. Both b and c
91	Skills that can be transferred to other employers are called.	A. General skills B. Specific skills C. Non pecuniary skills D. All of the above
92	Which among the following is not a merit of the census method.	A. Results are representative B. Information on rare events C. Result are reliable D. In appropriate method for enumeration
93	When investment spending is negatively related to the rate of interest, equilibrium income in the goods market.	A. Is unrelated to the rate of interest B. Is positively related to the rate or interest C. Inversely related to the rate of interest D. Falls as the rate of interest decreases
94	Tax collection estimate for year 2012-13 is Rs. _____ billion	A. 3,234 B. 3150 C. 3.064 D. None of the above
95	It is appropriate to use the supply and demand model if in a market.	A. Everyone is a price taker with full information about the price and quantity of the good. B. Firms sell identical products C. Costs of trading are low D. All of the above
96	The real money demand doubles while the nominal money supply is unchanged what happens to the price level.	A. The price level increase by a factor of four B. The price level doubles C. The price level is unchanged D. The price level falls by one half.
97	Anti dumping duties applied to imported goods.	A. Are abolished by the world Trade Organization B. Result in decreases in consumer surplus for domestic households C. Are imposed by industrial countries but not developing countries. D. Result in lower priced goods for domestic consumers
98	If there is a price ceiling which of the following is NOT likely to occur.	A. Rationing by first come first served B. Black markets C. Gray markets D. Sellers providing goods for free that were formerly not free
99	Eco philosophy deals with philosophy of	A. Nature B. Mind C. Science D. None of these
100	Which of the following IS a function of money	A. Medium of exchange B. Store of value

100	Which of the following is a function of money.	C. Unit of accounting D. All of the above
101	An expenditure reducing policy would consist of a decrease in	A. The par value of a currency B. Government expenditures C. Import duties D. Business or household taxes
102	The investment demand curve shows the relationship between the levels of.	A. Investment and consumption B. Consumption and Interest rate C. Investment and interest rate D. None
103	The contractionary effect on private investment spending due to financing requirements of government deficit pushing up interest rates is known by this term.	A. Crowding out B. Recognition lag C. Public sector borrowing requirement D. Fiscal drag
104	A Rs.10 increase in autonomous investment spending shifts IS	A. Rightward by Rs.10 B. Leftward Rs.10 C. Rightward by Ke (Rs.10) D. Leftward by Ke (Rs.10)
105	In economics, the term 'scarcity' refers to the fact that	A. Everything worthwhile costs money B. No society is able to produce enough to fully satisfy the desires of people for goods. C. Even in wealthy societies, like the united states, some people are poor D. sometimes shortages of product result if its price is set too low. E. In any urban area there are people who have had healed wounds
106	Commercial banks	A. Are financial intermediaries that offer demand deposits. B. Are owned by the Federal Reserve C. Are non profit banking institutions D. Are overseen by the Federal savings and loan insurance corporation.
107	Between 1982 and 1985 prices increased by	A. 11.4% B. 25.2% C. 14.5% D. 3.6%
108	The renowned economist and Islamic scholar who applied principles of political economics was.	A. Imam Abu Haneefa B. Ibn e Khaldun C. Imam Abu Yousaf D. Abu Qasim
109	A diagonal matrix whose diagonal elements are equal is called.	A. Unit matrix B. Singular matrix C. Scalar matrix D. Non singular matrix
110	Which of the following can the government not use directly to control the economy.	A. Pay rates within the private sector B. Pay rates in the public sector C. Investment in education D. Benefits available for the unemployed and sick
111	Which of the following is not an important variable in growth accounting calculations.	A. Productivity growth B. Money supply growth C. Labor growth D. Capital growth
112	The term focused group was coined by	A. Powel B. Merton C. Ernest Dichter D. Mitchell
113	When GNP is Rs.500 billion and consumption expenditures are Rs.300 billion.	A. the MPC is 6 B. The MPS is 4 C. The Multiplier is 2.5 D. None of the above
114	Which of the following is the agro based industry.	A. Carpets B. Iron work C. Dairy farms D. Woodwork
115	A set containing all the elements of the universal set except those of set A is called.	A. Complement of set A B. Complement of universal set C. Union of A and universal set D. Universal set itself

116	A change in the money supply has a greater effect upon equilibrium income.	<p>A. The more interest sensitive private sector spending is.</p> <p>B. The less interest sensitive private sector spending is.</p> <p>C. The smaller the expenditure multiplier is</p> <p>D. The more interest sensitive money holdings are to the rate of interest.</p>
117	The two main characteristics of the production function are.	<p>A. It slopes downward from left to right and the slope become flatter as the input increases</p> <p>B. It slopes upward from left to the right the slope becomes steeper as the input increase</p> <p>C. It slopes upward from left to right unput increases</p> <p>D. It slopes downward from left to right and the slope becomes steeper at the input increase</p>
118	For a Muslim living within the code of Islam primary source for the the solution of economic problems is.	<p>A. the Holy Quran</p> <p>B. Sunnah</p> <p>C. Both a and b</p> <p>D. None of these</p>
119	The Lorenz curve shows that	<p>A. unemployment does not affect social group</p> <p>B. People with low income spend more</p> <p>C. People with low income spend less</p> <p>D. the degree of income equality in the economy</p>
120	If the government increase spending and raises taxes by just enough to finance the increase it will.	<p>A. Leave output unchanged</p> <p>B. Increase output</p> <p>C. Reduce output</p> <p>D. Increase the MPC</p>
121	A stable equilibrium requires that the marginal propensity to consume is.	<p>A. Less than zero</p> <p>B. Zero</p> <p>C. One</p> <p>D. None of these</p>
122	Biocentrism comes under	<p>A. Life centrism</p> <p>B. Ecologism</p> <p>C. Anthropocentrism</p> <p>D. Materialism</p>
123	Cardinal approach theory was presented by	<p>A. Marshall</p> <p>B. Adam smith</p> <p>C. Robbins</p> <p>D. Hicks</p>
124	In order to constitute an oligopolistic market structure.	<p>A. There must be a few firms in a given relevant market</p> <p>B. There must be a few firms selling in a national market</p> <p>C. There must be more than 20 firms selling in the international market</p> <p>D. There must be fewer than 15 firm is any given market</p>
125	Starting from a balanced budget, for a given tax rate an increase in income will cause the government budget to.	<p>A. Move into surplus</p> <p>B. Move into deficit</p> <p>C. Remain unchanged</p> <p>D. None of these</p>
126	In land intensive method which mean production is used comparatively more	<p>A. Labour</p> <p>B. Land</p> <p>C. Capital</p> <p>D. Organization</p>
127	An increase in the wage rate.	<p>A. Will usually lead to more people employed</p> <p>B. Will decrease total earnings if the demand for labour is wage elastic</p> <p>C. Is illegal in a free market</p> <p>D. Will cause a shift in the demand for labour</p>
128	Which policies are expenditure changing policies.	<p>A. Currency devaluation and revaluation</p> <p>B. Import quotas and tariffs</p> <p>C. Monetary and fiscal policy</p> <p>D. Wage and price controls</p>
		<p>A. There will be excess demand</p> <p>B. There will be excess supply</p>

129	If a government imposed price ceiling causes the observed price in a market to be below the equilibrium price.	<p>B. There will be excess supply</p> <p>C. The curves will shift to make a new equilibrium at the regulated price</p> <p>D. None of the above</p>
130	GDP difference between GNP because.	<p>A. GDP = GNP - net factor payments from abroad</p> <p>B. GNP = GDP -net factor payments from abroad</p> <p>C. GDP = GNP -capital consumption allowances</p> <p>D. GNP = GDP -capital consumption allowances.</p>
131	The major source of revenue for the government is.	<p>A. the collection of property taxes</p> <p>B. The collection of the corporates income tax</p> <p>C. The collection of excise taxes on gasoline cigarettes and tires</p> <p>D. The collection of import and export duties in the conduct of foreign trade</p>
132	In the short run an increase in export sales would cause output to _____ and the price level to.	<p>A. Rise, rise</p> <p>B. Rise,; stay; constant</p> <p>C. Fall; rise</p> <p>D. fall; stay; constant</p>
133	Finance minister tax a commodity	<p>A. having elastic demand</p> <p>B. ignore elasticity</p> <p>C. Having unti elastic demand</p> <p>D. Having unit elastic demand</p>
134	The form of intonational price discrimination normally associated with economic recession or excess inventions in the exporting nation is known as.	<p>A. Predatory dumping</p> <p>B. sporadic dumping</p> <p>C. Persistent dumping</p> <p>D. Year and dumping</p>
135	Which method develop theories.	<p>A. Observation</p> <p>B. Case study</p> <p>C. Research</p> <p>D. Survey</p>
136	A country transactions with the rest of the world are recorded in the	<p>A. Balance of international indebtedness</p> <p>B. Balance of financial transactions</p> <p>C. Balance of payments</p> <p>D. Income statement</p>
137	The long run aggregate supply curve	<p>A. Is vertical</p> <p>B. slopes upward</p> <p>C. Is horizontal</p> <p>D. Slopes downward</p>
138	Secondary activities	<p>A. Services</p> <p>B. Production</p> <p>C. Raw materials</p> <p>D. All of these</p>
139	If the % change in quantity demanded is more than % change in price coefficient of price elasticity is.	<p>A. >1</p> <p>B. <1</p> <p>C. =1</p> <p>D. =zero</p>
140	The Root Mean square Error for the actual sales and sales forecast for 1985 and 1986 is.	<p>A. 20.2</p> <p>B. 19.9</p> <p>C. 14.7</p> <p>D. 17.2</p>
141	Empirical research may given a new focus to the exiting theory means.	<p>A. Research clarifies theory</p> <p>B. Research intitiate theory</p> <p>C. Reach refocuses theory</p> <p>D. Psychoanalytic theory</p>
142	An increase in wealth that doesn't affect labor supply would cause the IS curve to _____ and the FE line to _____	<p>A. Shift down and to the left be unchanged</p> <p>B. Shift down and to the left shift left</p> <p>C. Shift up and to the right be unchanged</p> <p>D. Shift up and to the right shift left</p>
143	Last week, Martha spend one day cleaning a house for this she was paid \$50 The rest of the week, she spend looking for a job Martha would be callsified as.	<p>A. Employed</p> <p>B. Unemployed</p> <p>C. Not in the labor force</p> <p>D. None of these</p>
144	If the demand for money increase relative to the supply of money	<p>A. Interest rates will trend upward</p> <p>B. Interest rates will trend downward</p> <p>C. Interest rates are not affected by increases in money demand</p>

		D. Interest rates will behave randomly
145	In economics we often say that a particular event will occur "as long as other things stay the same." The condition that other things stay the same is also called.	A. Ceteris paribus B. Marginal decision making C. Incentives D. Secondary effects
146	An important policy instrument to influence commercial banks is.	A. Open market operations B. Changing reserve ratios of commercial banks C. Moral persuasion D. None of the above
147	Over time the wealth of society increases and payments technologies get more efficient. What is the effect on money demand of these two changes.	A. Money demand rises proportionately to the rise in wealth. B. Money demand rises, but less than proportionately to the rise in wealth. C. The overall effect is ambiguous D. Money demand declines
148	The Isoquant curve shows different combinations of two factors of production which give the producer.	A. Different level of output B. High level of output C. low level of output D. Same level of output
149	Rapid increases in the price level during periods of recession or high unemployment are known as.	A. Slump B. Stagnation C. Stagflation D. Inflation
150	If the autarky price of S were lower in country A than in country B, then if trade were allowed.	A. A would likely export S to B B. A would likely import S from B C. Neither country would want to trade D. None of the above
151	Who defined research as a systematic, controlled, empirical and critical investigation.	A. Spencer B. Weber C. Kerlinger D. Morry
152	The substitution effect of a decrease in real interest rates is to cause a consumer to.	A. Increase future consumption and decrease current consumption B. Decrease future consumption and increase current consumption C. Increase current consumption and increase saving D. Decrease current consumption and increase saving.
153	A decrease in lump sum taxes is an example of.	A. Contractionary fiscal policy B. Expansionary fiscal policy C. A change in induced taxes D. A and c
154	The price mechanism cannot.	A. Act as a signal B. Act as an incentive C. Act as a rationing device D. Shift the demand curve
155	If firms join together to set prices and quantities this is known as what.	A. Interaction B. Conglomerate C. Collusion D. Integration
156	Domestic borrowing includes the government borrowing through	A. National saving center B. Commercial banks C. State Bank D. All of these
157	If price is initially above the equilibrium level.	A. the supply curve will shift rightward B. The supply curve will shift leftward C. Excess supply exists D. All firms can sell as much as they want
158	The theory of Rurban migration presented by.	A. W.W. Roslow B. M.P. Todaro C. Simon Kuznets D. Nukse
159	The index used most often to measure inflation is the	A. Consumer price index B. Wholesale price index C. Student price index D. Producer price index
160	Perfect international capital mobility suggests that international funds will be responsive to _____ differentials.	A. Current account B. Interest rate C. Tax D. ...

		D. Price
161	In the short run no firm operates with a loss unless	A. Variable cost equals fixed cost B. Variable cost falls short of fixed cost C. Total revenue covers variable costs D. Total revenue covers fixed cost
162	A profit maximizing firm in perfect competition produces where	A. Total revenue is maximized B. Marginal revenue equals zero C. Marginal revenue equals marginal cost D. Marginal revenue equals average cost
163	Characteristics of economic laws are	A. Mere statement of economic tendencies B. Less certain C. Hypothetical D. All of the above
164	The balance of trade can only worsen if income _____ relative to absorption	A. Increases B. Decreases C. Does not change D. None of the above
165	The relationship between the exchange rate and the prices of tradable goods is known as the.	A. Purchasing power parity theory B. Asset markets theory C. Monetary theory D. Balance of payments theory
166	An expansionary supply side shock results in.	A. An increased real national income B. The aggregate supply curve shifting to the left C. The aggregate demand curve shifting to the right D. The aggregate demand curve shifting to the left
167	the relation of productivity and income is discussed by Nurkse in.	A. Vicious circle of poverty B. balance growth theory C. Unbalance growth theory D. Big push theory
168	What does Social Researchers seek out of vast and confusing variety of individual characters.	A. Generalizations B. Decisions C. Single events D. group characteristics
169	Marginal revenue is the _____ when output is.	A. Change in average revenue, inversed. B. change in total revenue, increased by one unit C. change in average revenue, increased by one unit D. Change in total revenue, increased.
170	Mudaraba business is administered by the Mudaraba companies and Mudaraba rules .	A. 1990 B. 1980 C. 1981 D. 1978
171	If marginal revenue equals marginal cost	A. No profit is being made B. total revenue equals total cost C. Profits are maximized D. Producing another unit would increase profits
172	When an increase in government spending is matched by an equal decrease in government transfers, the income level will.	A. Stay the same B. Increase C. Decrease D. All of the above
173	Coefficient of standard deviation is.	A. SD/Median B. SD/Mean C. SD /Mode D. AM/SD
174	A decrease in the quantity of money supplied shifts the money supply curve to the _____ and the LM curve to the _____	A. right ; left B. right ; right C. left ; left D. left ; right
175	Direct investment and security purchase are classified as.	A. Capital account transactions B. Current account transactions C. Unilateral transfer transactions D. Merchandise trade transactions

176	If the Federal reserve conducts open market ___ the money supply ___ shifting LM curve to the left.	A. Purchases ; decreases B. sales ; decreases C. purchases ; increases D. sales ; increases
177	The human centered ethics puts value up on	A. Human only B. Animals only C. Species as a whole D. Single individual
178	Which of the following persons would be considered unemployed.	A. a house wife B. A person who worked more than 20 hours in a family owned business C. A 15 years old looking for summer employment D. A recent college graduate looking for her fist job
179	A nation experience external balance if it achieves.	A. No net changes in its international gold stocks B. Productivity levels equal to those of its trading partners C. An increases in its money supply equal to increases overseas D. Equilibrium in its balance of payments
180	Which of the following part of M1	A. Stock negotiating accounts B. Automatic transfer system accounts C. Negotiable orders of withdrawal accounts D. Demand deposits of mutual saving banks.
181	Where there is an equal increase in net tax revenue and government spending, ceteris paribus.	A. (C+I+G) is shifting upward B. (C+I+G) is shifting downward C. (C+I+G) does not shift D. All of these
182	If the sampi is accepted as coming from a universe with a mean of Rs.500 or greater when if doesn't.	A. A Type II error is made B. A type I error is mad C. The alternative hypothesis is correct. D. A and C are correct
183	A bank has excess liquidity reserves to lend but is unable to find a willing borrower these will_____ the size of the money multiplier.	A. Reduce B. Increase C. Have no effect on D. Double
184	in the Keynesian cross diagram, a decrease in investment spending because companies become more pessimistic about investment profitability causes the aggregate demand function to shift _____ the equilibrium level of aggregate output to _____ and the IS curve Curve to shift to the.	A. rise ; left B. rise ; right C. fall ; left D. fall ; right
185	Keynes considered subjective and objective factors.	A. Determinants of investment B. Determinants of business will ingress to supply C. Unimportant determinants of consumption. D. Important determinants of consumption.
186	As the interest sensitivity of money demand increases	A. The multiplier term increases B. Fiscal policy has a greater effect on output C. Monetary policy has a smaller effect on output D. All of the above
187	If a Canadian dollar costs 0.75 in terms of U.S. dollars, how much Canadian money would an American need to spend in Canada to get a dollar's worth of U.S. value.	A. 25\$ B. 99\$ C. Rs.1.25 D. Rs.1.13
188	A square matrix A, such that $A = A'$ is called a	A. Symmetric matrix B. Skew symmetric matrix C. Singular matrix D. Rank of a matrix
189	"The impact on this monetary aggregate of extensive finance innovation -the changes in the kinds of deposits and services offered by banks led the central bank to drop M1 as a n intermediate target with the changes in the way the public was holding payments balances the M1 aggregate no longer that the same reliable link to.	A. Tax rates B. The money supply C. Aggregate demand D. Government spending
190	The marginal propensity to consume in a less Developed Country is likely to be	A. _{Less than 0} B. Nearly 0

190	The marginal propensity to consume in a less developed country is likely to be.	C. High D. Low
191	Skills that can be transferred to other employers are called.	A. General skills B. Specific skills C. Non pecuniary skills D. All of the above
192	Which of the following causes M1 demand to decrease.	A. A fall in the tax rate B. An increase in income C. A fall in the interest rate D. An increase in the use of credit cards
193	Which of the following is correct with respect to the Paasche index.	A. The consumer Price index is an example of the Paasche index. B. The Paasche index is biased upward C. The Paasche index always exceeds 1 D. The Paasche index uses given period quantities
194	Credit (+) items in the balance of payments correspond to anything that.	A. Involves receipts from foreigners B. Involves payments to foreigners C. Increases the domestic money supply D. Decrease the demand for foreign exchange
195	In the efficiency wage model if the real wage is higher than the market clearing wage so that there is an excess supply of labor.	A. Firms will hire new workers at lower wages B. Firms will replace high paid workers with low paid formerly unemployed workers C. Employers will not hire workers who are willing to work for a lower wage. D. Firms will demand a higher level of effort from existing employees
196	According to Keynes, when the great depression started the government should be.	A. Done nothing B. Decreased the money supply C. Had a large increase in government spending. D. Enacted high tariffs such as the Smoot Hawley tariff
197	In the Keynesian model in the short run the amount of employment is determined by the effective labor demand curve and the level of.	A. Prices B. Output C. The real interest rate D. The supply of labor
198	In price discrimination, which section of the market is charged the higher price.	A. The section with the richest people B. The section with the oldest people C. The section with the most inelastic demand D. The section with the most elastic demand
199	The current account includes	A. The value of trade in merchandise B. Services C. Unilateral transfers D. All of the above
200	In the expenditure approach to GDP which of the following would be excluded from measurement of GDP.	A. Government payments for goods produced by foreign firms B. Government payments for goods produced by firms owned by state of local government C. Government payments for welfare D. All government payments are included in GDP
201	If there is no price surprise, total output is.	A. 50 B. 150 C. 400 D. 200
202	In the Keynesian model in the short run a decrease in government purchases causes output to _____ and the real interest rate to _____.	A. fall ; rise B. fall ; fall C. rise ; rise D. rise ; fall
203	Currency speculations is _____ if speculators bet against market forces that cause exchange rate fluctuations, thus moderating such fluctuations.	A. Destabilizing B. Stabilizing C. Inflationary D. Deflationary

204	A mathematical expression relating the amount of output produced to quantities of capital and labor utilized is the	A. Real interest rate B. Production function C. Productivity relation D. Marginal product
205	A shift in tastes toward foreign goods _____ net exports and causes the IS curve to shift to the	A. decreases ; right B. decrease ; left C. increase ; right D. increases ; left
206	It is a process of checking to detect and correct errors and omissions.	A. Coding B. Editing C. Analysis D. Classifications
207	Earning from primary products are often unstable because.	A. Demand is price elastic B. Supply is price elastic C. Supply conditions are relatively stable D. Supply conditions are unstable
208	Snowball sampling is used for data collection through.	A. Connecting relations B. Small population C. Representatives D. None of the above
209	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
210	management of the economy via extensive regulation and laws specified by the national government is most consistent with	A. syndication B. Mercantilism C. Classical liberalism D. None of these
211	Which of the following will not result in an increase in the level of income.	A. An increase in autonomous spending B. A decrease in autonomous taxes C. An increase in autonomous transfers D. an increased in net tax revenues
212	Given the above demand and supply equations for widgets, the equilibrium price and quantity is.	A. P = Rs. 20, Q = 60 B. PO = Rs. 60, Q, = 20 C. P Rs. 35, Q = 45 D. P - Rs. 12, Q = 88
213	A function where a variable x can only very in jumps, is often called.	A. Non linear functions B. Inverse function C. Step function D. All of above
214	The exogenous variable in the income equation $C + I + G = Y$ is	A. C B. I C. G D. None of these
215	The equilibrium level of income of the open economic model is.	A. 200 B. 400 C. 300 D. 500
216	Information collected by the researcher for the purposes of the project immediately	A. Secondary data B. Qualitative data C. Primary data D. Quantitative data
217	Keynes suggested that _____ income households consume a ____ proportion of their income than ____ income households.	A. Low ; smaller ; high B. Low ; larger ; high C. low ; smaller ; middle D. High ; larger ; low
218	Efficiency wages are _____ that raise	A. Low wages , employment B. High wages, labor supply C. High wages, productivity D. High wages, employment
219	The set which contains all the element of the two given sets A and B, avoiding duplication, is called.	A. Intersection of A and B B. Union of A and B C. Set A and B D. None of these
220	All of the following are debit items in the balance of payment eexcept.	A. Capital outflows B. merchandise exports C. Private gifts to foreigners D. Foreign and granted to other nations

221	A firm can fund an investment from its own sources, the opportunity cost of its investment is	A. Less than zero B. Zero C. More than zero D. Neither
222	State monopoly was greatly imposed in the period of.	A. Nawaz Sharif B. Z.A.Bhutto C. Zia ul Haq D. None of these
223	According to classical models, the level of employment is determined primarily by	A. The level of aggregate demand for goods and services B. Prices and wages C. Government taxation D. Government spending
224	An increase in national income is.	A. Likely to increase exports B. Likely to decrease savings C. Likely to decrease investment D. Likely to increase spending on imports
225	For a borrower an increase in the real interest rate will lead to.	A. Higher current consumption and less borrowing B. Higher current consumption and less saving C. Lower current consumption and less borrowing D. Lower current consumption and less saving
226	In 25 years Pakistan's Per capital income	A. More than doubled B. Less than doubled C. Did not show more than 70% increase D. None of the above
227	The main cause of cyclical unemployment is that.	A. Firms engage in race gender and sex discrimination in their hiring practices. B. Some individual do not have marketable job skills. C. the level of overall economic activity fluctuates D. Workers offer voluntarily quit a job to look for a better job.
228	Why would corporations want to achieve zero balances in their checking accounts.	A. To earn more interest B. To avoid paying taxes C. to keep a low profile D. To circumvent banking regulations
229	If leisure is an inferior good the individuals supply curve for labor is.	A. Back ward bending B. Completely inelastic C. Upward sloping D. Perfectly elastic
230	Small size of market is the primary cause of under development according to.	A. Balance growth theory B. Unbalance growth theory. C. Big push theory D. Dualistic theories
231	When IMF was established.	A. 1944 B. 1945 C. 1946 D. 1947
232	Kharif crops include	A. Rice and sugarcane B. Cotton and maze C. Bajra and Jawar D. All of them
233	When the period of Kharif crops start and when it end.	A. October - May B. January -October C. May -October D. June - September
234	Monetarists believe that a reduction in _____ can be achieved by reducing.	A. Unemployment, prices B. Inflation, wages C. Unemployment, wages D. Inflation, the quantity of nominal money
235	The epigram "time is money" expresses , in part, the concept of.	A. Opportunity cost B. Comparative advantage C. Specialization D. Efficiency in production

236	Economics growth can be seen by an outward shift of.	<p>A. The production possibility frontier</p> <p>B. The gross domestic barrier</p> <p>C. The marginal consumption frontier</p> <p>D. The Minimum Efficient scale</p>
237	If a simultaneous and equal percentage decrease in the use of all physical inputs leads to a larger percentage decrease in physical output a firm's production function is said to exhibit.	<p>A. Decreasing returns to scale</p> <p>B. <div>Constant returns to scale</div></p> <p>C. Increasing returns to scale</p> <p>D. Diseconomies of scale</p>
238	Census is held in Pakistan after every ____ year	<p>A. 5</p> <p>B. 10</p> <p>C. 15</p> <p>D. 20</p>
239	Modern Technique can be applied on	<p>A. Economic land holding</p> <p>B. Uneconomic land holding</p> <p>C. any land holding</p> <p>D. None of these</p>
240	The quantity theory of money allows monetarists to obtain a number of economics predictions by assuming a constant.	<p>A. Velocity of money</p> <p>B. Nominal output</p> <p>C. Overall price level</p> <p>D. Stock of money</p>
241	An -increase the expected future price of a good.	<p>A. Increases its demand</p> <p>B. Decreases its demand</p> <p>C. Increases its supply</p> <p>D. Has no effect on either its demand or its supply.</p>
242	The equilibrium level of employment achieved after the complete adjustment of wages and prices, is known as the.	<p>A. Zero unemployment level of employment</p> <p>B. Natural state</p> <p>C. Invisible handshake</p> <p>D. Full employment level of employment</p>
243	A tax increase _____ disposable income ____ consumption expenditure and shifts the IS curve to the.	<p>A. Increase; increases ; right</p> <p>B. Increase ; decreases ; left</p> <p>C. decreases ; increases ; left</p> <p>D. decreases ; decreases ; left</p>
244	Headquarter of the Planning commission of Pakistan is located in.	<p>A. Karachi</p> <p>B. Lahore</p> <p>C. Islamabad</p> <p>D. None of these</p>
245	Given the data above, the empirical equation for the IS curve is.	<p>A. $Y = 275 + 10 i$</p> <p>B. $Y = 225 + 50 i$</p> <p>C. $Y = 250 - 10 i$</p> <p>D. $Y = 275 - 50 i$</p>
246	Demand pull inflation may be caused by	<p>A. An increase in costs</p> <p>B. A reduction in interest rate</p> <p>C. A reduction in government spending</p> <p>D. An outward shift in aggregate supply</p>
247	The respect for nature is a book written by.	<p>A. Spinoza</p> <p>B. Paul Taylor</p> <p>C. Arne Naess</p> <p>D. None of these</p>
248	Elasticity of demand of luxurious goods is always more elastic	<p>A. More elastic</p> <p>B. Less elastic</p> <p>C. Equal elastic</p> <p>D. None elastic</p>
249	The point at which the graph cuts the x axis is called.	<p>A. x- intercept</p> <p>B. y - intercept</p> <p>C. slope</p> <p>D. None of these</p>
250	Which provides the best explanation of the failure of many poor countries to experience economic growth as rapid as the rich countries..	<p>A. Classical growth theory</p> <p>B. Neoclassical growth theory</p> <p>C. New growth theory</p> <p>D. Market failure</p>
251	Devaluation of rupee would result into	<p>A. Expensive exports</p> <p>B. Expensive imports</p> <p>C. Expensive labour</p> <p>D. Overvalues Rupee</p>
252	Firm A's margin of safety is.	<p>A. 0.10</p> <p>B. 0.40</p> <p>C. 0.20</p>

253	A negatively sloped isoquant implies	A. Products with negative marginal utilities B. Products with positive marginal utilities C. Inputs with negative marginal products D. Inputs with positive marginal products
254	The opportunity cost of holding currency decreases when.	A. Income decreases B. The interest rate on bonds decrease C. Buying newly issued government bonds directly from the central bank D. Buying newly issued government bonds directly to the central bank.
255	W.W. Rostow considered that the economic development period consist of.	A. Two stages B. Three stages C. Four stages D. Five stages
256	In perfect competition price is settled by	A. Sellers B. Buyers C. Producers D. Both a and b
257	For a given positively sloped supply curve the price increase to consumers resulting from a specific tax imposed on sellers will be.	A. Greater the more price elastic demand is B. Greater the less price elastic demand is C. Equal to the entire tax when demand is perfectly elastic D. Equal to half of the tax whenever demand is unit elastic
258	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
259	The elasticity of demand for cigarettes by a non smoker is.	A. Unitary price elastic B. Relatively price elastic C. Perfectly price elastic D. Perfectly price inelastic
260	An economy may operate outside the production possibility frontier it.	A. It is not utilizing its resources fully B. It is being productively efficient C. It is a mixed economy D. It is trading with other economics
261	Higher export demand _____ output and a higher MPZ _____ output..	A. Reduces, reduces B. Reduces, increases C. Increases, reduces D. increases, increases
262	Why is the law of diminishing marginal returns ture.	A. Specialization and division of labor B. Spreading the average fixed cost C. Limited capital D. All factors being variable in the long run
263	For equilibrium in an open four sector economy	A. Actual injections = actual withdrawals B. Planned injections = Planned withdrawals C. Savings = investment D. Government spending = tax revenue
264	A contraction in supply occurs when	A. Demand shifts out wards B. The supply curve shifts inwards C. The quantity supplied falls when the price falls D. The supply curve shifts outwards
265	Most Microeconomic models assume that decision makers wish to.	A. Make themselves as well off as possible B. Act selfishly C. Not cooperate with others D. None of the above
266	Naveed purchases product M for which his income elasticity of demand is negative Apparently product M is.	A. A necessity B. An independent good C. An inferior good D. A luxury good

267	In the short term a firm will produce provided the revenue	A. Covers fixed costs B. Covers variable costs C. Covers total costs D. Covers revenue
268	When planned saving equals Rs.40+0.20 Yd and planned investment is rs. 60, the equilibrium level of income in.	A. Rs. 100 B. Rs. 400 C. Rs.500 D. Rs.1000
269	In perfect competition.	A. The price equals the marginal revenue B. The price equals the average variable cost C. The fixed cost equals the variable costs D. The price equals the total costs
270	"Zakat" is a charity on.	A. Wealth / income which stays with a Muslim for at least one year B. Levied on a Muslim who is sahib e Nisab C. Deducted at the rate of 2.5% of the income D. All of the above
271	According to solo growth model capital and labor are.	A. Not substitution of each other B. Substation of each other C. Substation in a way D. All of these
272	An increase in the expected rate of inflation would.	A. shift the Philips curve upward B. shift the phillips curve downward C. Shift the long -run phillips curve to the right D. Shift the long-run phillips curve to the left
273	The practice of using fiscal and monetary policy to stabilize the economy is known as.	A. Fine turning of deamand B. Monetarism C. Laissez faire economics D. Supply side economics
274	An import function is $100+0.1 Y$ and exports are exogenous. If income (Y) is 500, and there is a trade deficit of 50, then exports are.	A. 0 B. 25 C. 75 D. 100
275	In monopolistic competition firm sell	A. Same goods B. Differential goods C. Inferior goods D. Superior goods
276	The Lorenz curve is used to show relative in equality in the distribution of.	A. Wages B. Income C. Wealth D. Profit
277	In 1950's subsidies given to.	A. Agriculture sector B. Export sector C. industrial sector D. Services sector
278	The opportunity cost of acquiring education is.	A. Course fees B. Course fees and living expenses C. The earning foregone D. Course fees, living expenses and textbooks
279	An increase in costs will	A. Shift aggregate demand B. Shift aggregate supply C. Reduce the natural rate of unemployment D. Increases the productivity of employees
280	In the event of an increase in the international price of oil that encouraged the central bank to accept lower real interest rates, inflation would most likely.	A. Fall B. Increases C. Remain the same D. Fluctuate
281	If the coefficient of income elasticity is negative.	A. Inferior good B. Normal good C. Luxury good D. All of these
282	Hirschman along with other ebonists consider that for economic development	A. Balance growth is necessary B. Unbalance growth is necessary C. Big push in investment is

282	When making policy decisions, economists along with other economists consider that for economic development.	necessary D. Industrial development is necessary
283	Supply side policies are most appropriate to cure.	A. Involuntary unemployment B. Cyclical unemployment C. Voluntary unemployment D. A fall in aggregate demand
284	The short run impact of unanticipated expansionary monetary policy is that.	A. Real output decrease B. Employment decreases C. Real interest rates decrease D. Profit margins decrease
285	When aggregate economic activity increasing the economy is said to be in.	A. An expansion B. A contraction C. A peak D. A turning point
286	An increase in the price of a complement or produce.A would.	A. Shift demand for product a out wants B. Shift demand for product A inwards C. shift supply for product A out wards D. Shift supply for product A inwards
287	Which of the following events would lead to an increase in the marginal product of labor for every quantity labor.	A. An increase in the real wage B. A decrease in the real wage C. A favorable supply shock such as a fall in the price of oil D. an adverse supply shock such as a reduced supply of raw materials.
288	Which of the following is not likely to be a government objective.	A. Increasing employment B. Increasing economic growth C. Increasing government spending D. Increasing the level of exports
289	A demand curve is not related to	A. The time period B. The price of the commodity C. The price of substitution D. Any of above
290	Demand for primary products is likely to be	A. Very sensitive to price B. Price elastic C. Unit elastic D. Income inelastic
291	Given the saving equation $S = -50 + 0.20Y$, 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
292	During the 1980's 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
293	Following is the major source for a country to meet the deficiency of capital	A. Domestic saving B. Foreign aid C. Domestic borrowing D. All of these
294	Fact is empirically verifiable observation is defined by	A. Good and Halt B. Claver C. P.V.Young D. Emory
295	If the price of product X falls and this change increases the demand for product Y then.	A. X and Y are complements B. X and Y are substitutes C. X is an inferior good D. Y is an inferior good
296	Which crops are sown in Rabi Seasons.	A. Tobacco, rape seed B. Wheat, gram C. Barely and mustard D. All of them
297	If Supply and demand both decrease simultaneously. Which of the following will happen.	A. Price will rise B. Quantity sold will rise C. Price will fall D. Quantity sold will decrease

298	The World Bank gives	<p>A. Long term</p> <p>B. Short term and long term credits</p> <p>C. Both long term credits</p> <p>D. None of these</p>
299	A question which requires a solution is.	<p>A. Observation</p> <p>B. Problem</p> <p>C. Data</p> <p>D. Experiment</p>
300	A monopolist will discontinue production if	<p>A. Marginal revenue is less than marginal cost</p> <p>B. Marginal revenue is less than average total cost</p> <p>C. Marginal revenue is less the average fixed cost</p> <p>D. Price is less than average variable cost</p>
301	General agreement on Tariffs and Trade was established in.	<p>A. 1948</p> <p>B. 1949</p> <p>C. 1950</p> <p>D. None of these</p>
302	Which of the following is most likely to benefit a debtor.	<p>A. Un anticipated deflation</p> <p>B. Anticipated deflation</p> <p>C. Unanticipated inflation</p> <p>D. anticipated inflation</p>
303	A disadvantage of the barter system is that	<p>A. No trade occurs</p> <p>B. People must produce all their own food clothing and shelter</p> <p>C. The opportunity to specialize is greatly reduced.</p> <p>D. Gold is the only unit of account</p>
304	Total factor productivity growth is that part of economic growth due to.	<p>A. Capital growth plus labor growth</p> <p>B. Capital growth less labor growth</p> <p>C. Capital growth times labor growth</p> <p>D. Neither capital growth nor labor growth</p>
305	A country that is a net international debtor initially experiences a.	<p>A. Larger savings pool available finance domestic spending</p> <p>B. Higher interest rate which leads lower domestic investment.</p> <p>C. Loss of funds to trading partners overseas</p> <p>D. Decrease in tis services exports to other countire.</p>
306	The equation for a givne production function is $Q = K^2 + KL$, initially $K = 2$ and $L = 1$ if the value of both inputs is doubled the production function exhibite.	<p>A. Increasing returns to scale</p> <p>B. Diseconomies of scale</p> <p>C. Constant returns to scale</p> <p>D. Economies of scale</p>
307	In the Keynesian cross diagram, an expenditure causes the aggregate demand function to shift _____ and the equilibrium level of aggregate output to.	<p>A. up ; rise</p> <p>B. up ; fall</p> <p>C. down ; rise</p> <p>D. down ; fall</p>
308	Which device is good to measure variation in open end distribution.	<p>A. Quartile deviation</p> <p>B. Range</p> <p>C. Mean deviation</p> <p>D. Variance</p>
309	What adjusts to restore general equilibrium after a shock to the economy.	<p>A. The LM curve</p> <p>B. The IS curve</p> <p>C. The FE line</p> <p>D. The labor supply curve</p>
310	The definition of various terms, units of collection and measurement help ensuring that.	<p>A. Analysis is easy</p> <p>B. Method is systematic and emprical</p> <p>C. Construction of conclusions easy</p> <p>D. Data is relevant to the purpose</p>
311	Headquarter of International Association Development is located in.	<p>A. Vienna</p> <p>B. New York</p> <p>C. Washington</p> <p>D. None of these</p>
312	All economic model ae based on	<p>A. Realistic assumptions</p> <p>B. Assumptions which can never be perfectly realistic</p> <p>C. Unrealistic assumptions</p> <p>D. None of the above</p>

313	The first level of output at which the long run average costs are minimized is called.	A. The minimum Efficient Scale B. The minimum External scale C. The Maximum External scale D. The maximum Effective scale.
314	If the Federal Reserve wishes to increase the money supply it should.	A. Raise the reserve requirement B. Raise the discount rate C. Buy Treasury securities in the open market D. All of the above
315	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
316	The overall Budget Deficit is financed from	A. External borrowing B. Non bank borrowing domestically C. Bank borrowing plus the above two at a and b D. None of the above
317	In the short run the level of floating exchange rates is determined mainly by.	A. Interest rates B. Competitiveness C. Trade D. Speculation
318	When the period of Rabi crops starts and when it end.	A. October - May B. January - October C. May- October D. June - September
319	The matrix A multiplies by its inverse will be a.	A. Identity matrix B. Skew symmetric matrix C. Idempotent matrix D. Adjoin of a matrix
320	The monopolization of the competitive market results in a deadweight loss to society of	A. RSJK B. JKL C. THJ D. RSJL
321	Normative economics form _____ based on.	A. Positive statements facts B. Opinions, personal values C. Positive statements values D. Opinions facts
322	The average variable cost curve.	A. Is derived from the average fixed costs B. Converges with the average cost as output increases C. Equals revenue minus profits D. Equal the total costs divided by the output
323	Along the long run supply curve all of the following can vary except.	A. The level of profits B. The number of firms in the industry C. Input prices D. The level of input usage
324	When plotted with the aggregate price level on the vertical axis and output on the horizontal axis, the long run aggregate supply curve.	A. slopes upward B. Sloped downward C. Is vertical D. Is horizontal
325	In the ERM, each country fixed _____ against each other ERM participant collectively the group. _____ against the rest of the world.	A. A nominal exchange rate, floated B. A real exchange rate, pegged C. a purchasing power parity, pegged D. a real exchange rate, floated
326	$ax^2 + bx + c = 0$	A. Linear equation B. Quadratic equation C. Polynomial of degree five D. None of these
327	The purpose of support price is to.	A. Discourage farmer B. Encourage consumer C. Discourage consumer D. Encourage farmer
328	The AD schedule indicates that _____ inflation is associated with _____ output.	A. higher , lower B. Higher , higher C. Lower , lower D. zero ,zero
329	If I keep some money available in case I see a bargain this is an example of.	A. Asset demand for money B. Transactions demand for money C. Token demand for money D. Speculation demand for money

330	The equation for the IS curve is.	A. $Y = 55 - 50i$ B. $Y = 175 - 75i$ C. $Y = 300 - 100i$ D. $Y = 275 - 25i$
331	The equilibrium inflation rate is determine by the intersection of _____ and ____	A. demand, supply B. IS , LM C. AD, AS D. Labour demand, labour supply
332	A reflationary policy	A. Increases aggregate supply B. Increases aggregate demand C. Decreases the price level D. Increase full employment
333	Suppose you are a monetarist and believe in the the monetarist rule which the monetary authorities appear to be following if the economy beings to experience a slight increase in the inflation rte you would recommend that the monetary authorities.	A. Increase the money growth rate slightly B. Decrease the money growth rate slightly C. Leave the money supply growth unchanged D. Enact a one time slight decrease in the money supply
334	Cash crops cover nearly _____ of the cropped areas	A. 25% B. 55% C. 15% D. 35%
335	National Income account of Pakistan have registered GDP & GNP as.	A. $GDP = GNP$ B. $GDP < GNP$ C. $GDP > GNP$ D. GDP / GNP
336	Which among the following is the sensible theory of sampling.	A. Induction B. Inertia C. Regularity D. None of the above
337	The "balance trade" is a record of.	A. Exports and imports of financial assets B. The current account plus capital account C. The export of goods and services. D. the value of merchandise exports minus imports
338	Company X sells Rs.75 million dollars of 9.5% first mortgage bonds at par The company's marginal tax rate to 30% The after tax cost of debt is.	A. 2.85% B. 3.175 C. 6.68% D. 7.55
339	According to Keynes, the level of employment is determined by	A. Interest rates B. The level of prices C. The level of aggregate supply in the economy D. The level of aggregate demand for goods and services.
340	Appreciation of the U.S. dollar results in.	A. U.S. tourists traveling abroad being worse off B. U.S. imports increasing. C. Foreign currency buying more U.S. goods and services. D. No change iin foreign purchases or sales.
341	The notion of relationship is important is.	A. Land ethics B. Deep ecology C. Deontology D. Ecosopy
342	Which market adjusts the quickest in response to shocks to the economy.	A. The asset market B. The labor market C. The goods market D. In the macro economy
343	When economists say that a per son is economizing they mean that the person is.	A. making choices to gain benefits at lowest possible cost B. Making a lot of money C. Purchasing goods that are generic cheap or of low quality D. Learning how to run a business more effectively
		A. Income effect means people buy less pizza

344	When the price of a pizza decreased from 1200 Rupees to 1000 Rupees, it is definitely the case that the.	<p>B. Substitution effect means people buy more pizza</p> <p>C. Quantity demanded of pizza will not change</p> <p>D. None of the above</p>
345	Economists tend to disagree primarily about.	<p>A. The implications of scarcity for our economy</p> <p>B. Which resources are free</p> <p>C. Topics in positive economics</p> <p>D. Issues of normative economics</p>
346	The fifth five year plan was an attempt to stabilize the economy and improve the standard of living of the poorest segment of the population from _____ to _____	<p>A. 1975-80</p> <p>B. 1980--85</p> <p>C. 1978-83</p> <p>D. None of the above</p>
347	The most widely traded currency in the foreign exchange market is the.	<p>A. Euro</p> <p>B. Chinses yuan</p> <p>C. British pound</p> <p>D. U.S. Dollar</p>
348	In 1960s following policy was adopted regarding development	<p>A. Port substitution</p> <p>B. Agriculture development</p> <p>C. Export promotion</p> <p>D. All of these</p>
349	All of the following are type of monetary policy except	<p>A. A nominal money stock target</p> <p>B. A balances budget</p> <p>C. An inflation target</p> <p>D. The pursuit of a target real interest rate</p>
350	International specialization takes place because of.	<p>A. Differences in technology</p> <p>B. Differences in factor endowments</p> <p>C. Scale economies</p> <p>D. All of the above</p>
351	The increase in total cost when one more units is produced is known as.	<p>A. Marginal cost</p> <p>B. Opportunity cost</p> <p>C. Limited cost</p> <p>D. Average cost</p>
352	The competitive firm maximizes its profit by operating where	<p>A. Average costs are at a minimum</p> <p>B. Total revenue is at a maximum</p> <p>C. Profit per unit is at a maximum</p> <p>D. Marginal cost equals price</p>
353	The natural rate of unemployment is likely to tall if	<p>A. Unemployment benefits increase</p> <p>B. Income tax increases</p> <p>C. More training is available for the unemployed</p> <p>D. Geographical immobility increases</p>
354	The price elasticity of demand measures	<p>A. The responsiveness of quantity demanded to a change in prie.</p> <p>B. How far a demand curve shifts</p> <p>C. A change in price</p> <p>D. A change in quantity demanded</p>
355	In the long run a reduction in labor supply would cause output to _____ and the aggregate price level to.	<p>A. fall; rise</p> <p>B. fall ; fall</p> <p>C. rise ; fall</p> <p>D. rise; rise</p>
356	According to the _____ the export of the product that embodies large amounts of the relatively cheap, abundant resorce results in an increase in its price and income of the resource used intensively in the import competing product decrease as its demand falls.	<p>A. Ricardian equivalence theorem</p> <p>B. Smithian equivalence theorem</p> <p>C. Stolpher Samuelson theorem</p> <p>D. Bemanke Greenspan theorem</p>
357	A specific tax on sellers will	<p>A. shift the demand curve to the right</p> <p>B. Shift the demand curve the left</p> <p>C. Shift the supply curve to the right</p> <p>D. Shift the supply curve to the left</p>
358	If X, Y, and Z are willing to work for Rs. 4, Rs. 5, and Rs.6 respectively but N pays them Rs. 7 each, producers surplus is.	<p>A. Rs. 4</p> <p>B. Rs.7</p> <p>C. Rs.5</p> <p>D. Rs.6</p>
359	Which of the following procedures is included in the process that produces a value for disposable personal income	<p>A. subtracting excies and sales taxes</p> <p>B. Subtracting nonbusiness interest</p> <p>C. Subtracting transfer payment from government.</p> <p>D. subtracting income taxes</p>
360	If inflationary expectations increase, the short run Phillip's curve will	<p>A. Become vertical</p> <p>B. Become up warding sloping</p> <p>C. Shift to the right</p>

		D. Shift to the left
361	An increase in autonomous net exports	A. Shifts IS rightward by k , ox B. shifts IS left eard by k , AX C. Increase the slope of IS D. Decreases the slope of IS
362	The equilibrium level of Y and I derived from the LM and IS equations above is.	A. $Y = 130$ and $I = 10\%$ B. $Y = 200$ and $I = 30\%$ C. $Y = 180$ and $I = 7\%$ D. $Y = 250$ and $I = 2\%$
363	The concept of unbaled growth and balance growth are.	A. Unlimited value B. Single value C. Limited value D. Short value
364	An income demanded curve of an inferior good is.	A. Same in slope B. Upward is slope C. Downward in slope D. None of these
365	Which of the following is an example of a productivity shock.	A. The introduction of new management techniques B. A change in taxes on corporate profits C. A change in the level of government transferors D. An increase in the money supply
366	Market is called father of economics	A. Marshall B. Robbins C. Keynes D. Friedman
367	A decline expected future output would cause the IS curve to.	A. Shift up and to the right B. Shift down and to the left C. Remain unchanged D. shift up and to the right only if people face borrowing constratinits.
368	If the central bank prints more 10 billion and spends them then as a direct result of this action.	A. M1 and M2 both increases B. Neighed M1 nor M2 increase C. M1 increase but M2 does not D. M2 increased but M1 does not.
369	According to Islamic economic system the producers can earn.	A. Normal loss only B. Normal profit only C. Abnormal loss D. Abnormal profit
370	Following the work of _____ in the 1960s, and the controversy associated with these views in the 1970s, there was a revival of interest by economists and government in monetary policy.	A. Milton Friedman B. Ronald Reagan C. Margaret Thatcher D. John Maynard Keynes
371	Which one of the following is the largest sector of Pakistan Economy.	A. Agriculture B. Banking C. Industry D. Manufacturing
372	Suppose that the supply curve of lin is highly inelastic if the demand curve of lin decreases and increases cyclically along the supply curve of lin then in this market the size of the quantity fluctuations will be _____ the size of the price fluctuations.	A. Relatively greater than B. Relatively less than C. the same as D. Any of the above
373	according to factor price equalization theorem, if country A is labor abundant then once trade opens.	A. Wages and rents should fall in A B. Wages and rents should rise in A C. Wages should rise and rents should fall in A D. Wages should fall and rents should rise in A
374	The price of salsa rises, How does the increase in the price of salsa affect the supply of salsa.	A. The supply of salsa increases B. The supply of salsa decreases C. There is no change to either the supply of salsa or the quantity supplied of salsa D. There is no change to the supply of salsa but the quantity supplied of salsa increases
375	If banks and the private sector decide to hold less cash the money multiplier will be.	A. Unchanged B. Larger C. Smaller D. unstable
	The hypothesis that people know the true model of the economy and that they use this	A. Relational expectations hypothesis.

376	The hypothesis that people know the true model of the economy and that they use this model and all available information to form their expectations of the future is the	<p>B. Active expectations hypothesis</p> <p>C. Static expectations hypothesis</p> <p>D. Adaptive expectations hypothesis</p>
377	Which of the following is a characteristic of monopolistic competition.	<p>A. One seller serving the entire market</p> <p>B. When each firm sells an identical product</p> <p>C. When firms do not compete on a product quality price and marketing</p> <p>D. When firms are free to enter and exit the market</p>
378	The estimated regression coefficient for good Y indicates	<p>A. Goods X and Y are independent goods</p> <p>B. Good Y is relatively elastic</p> <p>C. Good Y is a luxury good</p> <p>D. Goods X and Y are complementary goods</p>
379	Dynamic multipliers occur when	<p>A. the assumption of ceteris paribus is dropped</p> <p>B. The economy is not in equilibrium</p> <p>C. Consumption is unrelated to disposable income</p> <p>D. there is lagged response between consumption and disposable income</p>
380	When there is a surplus in a market	<p>A. There is downward pressure on price</p> <p>B. There is upward pressure on price</p> <p>C. The market could still be in equilibrium</p> <p>D. There are too many buyers chasing too few goods.</p>
381	During periods of negative demand shocks deficit target reductions such as those mandated in the Gramm Rudman Hollings Act would tend to.	<p>A. Stimulate the economy and increase employment.</p> <p>B. Result in additional recessionary declines in employment and income</p> <p>C. Stimulator defiance spending</p> <p>D. Have an automatic stabilizing impact upon the economy</p>
382	Scientific method in the application of valid and reliable research methods.	<p>A. Experimental</p> <p>B. Survey</p> <p>C. Methods</p> <p>D. Enquiry</p>
383	An increase in spending those results from expansionary _____ policy cause the interest rate to.	<p>A. fiscal ; rise</p> <p>B. fiscal ; fall</p> <p>C. incomes ; rise</p> <p>D. income ; fall</p>
384	Revealed preference theory was presented by.	<p>A. Samuelson</p> <p>B. Hicks</p> <p>C. Marshall</p> <p>D. Ricardo</p>
385	A tax of 18 cents per unit of imported cheese would be an example of a.	<p>A. Compound tariff</p> <p>B. Effective tariff</p> <p>C. Ad valorem tariff</p> <p>D. Specific tariff</p>
386	Quota sampling is the combination of.	<p>A. Purposive and stratified sampling</p> <p>B. Purposive and deliberate sampling</p> <p>C. Purpose and systematic sampling</p> <p>D. stratified and systematic sampling</p>
387	During the 1980 empirical evidence indicates that.	<p>A. Poverty re emerged in Pakistan</p> <p>B. Good growth brought down poverty in Pakistan</p> <p>C. Poverty situation showed no change</p> <p>D. None of the above</p>
388	An important feature of a _____ is that the holder has the right , but not the obligation, to buy or sell currency	<p>A. Swap</p> <p>B. Foreign exchange arbitrage</p> <p>C. Foreign exchange option</p> <p>D. Futures market contract</p>
389	Matrix multiplication does not satisfy	<p>A. Associative law</p> <p>B. Distributive law</p> <p>C. Commutative law</p> <p>D. None of the above</p>
390	The factor endowment model of international trade was developed by.	<p>A. Adam Smith</p> <p>B. David Ricardo</p> <p>C. John Stuart Mill</p>

391	Firms in monopolistic competition compete on	A. Price B. Quality C. Advertising D. All of the above are correct
392	The normal interest rate minus the inflation rate is the	A. Depreciation rate B. Discount rate C. Real interest rate D. Forward rate
393	Which of the following is not a supply side measure.	A. Increased training B. Providing more information C. Helping individuals to move location to find work D. Increasing spending on existing industries.
394	In the cost of slugger rises and slugger is major ingredient in jelly beans then the jelly bean.	A. Demand curve shifts to the left B. Supply curve shifts to the left C. Supply curve shifts to the right D. Demand and supply curves both shift to the right
395	Following banks were again privatized by Nawaz Sharif	A. Allied Bank B. Muslim Commercial bank C. None of these D. Both a and b
396	It enables the researcher to relate logically known facts to intelligent guesses about unknown conditions.	A. Research design B. Hypothesis C. Pre-Test D. Pilot study
397	"More reliable results can be obtained through sampling method" because.	A. Statistical error is low B. Saves time C. Cost is low D. None of the above
398	The fundamental economics problem faced by all societies is	A. Un employment B. In equality C. Poverty D. Scarcity
399	Disposable income is obtained by subtracting _____ taxes from personal income	A. Indirect taxes B. Direct taxes C. Subsidies D. None
400	Aggregate demand without a foreign sector is the sum of.	A. $c+1$ B. $C+G$ C. $1+G$ D. $C+I+G$
401	The monetary base is composed of.	A. Gold and silver B. Currency and reserves C. Currency only D. Currency and checkable deposits
402	Which of the following products will have an elastic demand.	A. Flour B. Cloth C. Honda city D. None of these
403	According to budget 2012-13, Pakistan repays ____ of loans to IMF	A. \$ 1.8 Billion B. \$ 1.2 billion C. \$ 1.6 billion D. None of these
404	International dumping may involve.	A. Selling goods to foreigners at a price below that charged domestic consumers B. Selling goods to foreigners at a price below the cost of production C. antidumping duties being levied on the imported dumped goods D. All of the above
405	Which of the following changes shifts the long run aggregate supply curve to the right.	A. A demographic change that increases the labor supply B. A decrease in the demand for labor C. An increase in consumer confidence D. A decrease in taxes

406	In Islamic economic system holding is considered against the right of.	B. Labour C. Consumers D. Producers
407	The investment demand curve shifts right ward if	A. The real interest rate falls B. Savers increase their thriftiness C. The expected profit rate increases. D. The economy moves into a recession
408	Super Natural power, divinity, and gifts of nature are integral to the explanations of economic events developed by.	A. Physiocras B. German historicists C. Modern monetarists D. Mercantilists
409	A decrease in the effective tax rate on capital would cause the IS curve to.	A. Shift up and to the right B. shift down and to the left C. Remain unchanged D. Remain unchanged if taxes are fully deductible from income otherwise, shift up and to the right
410	Suppose the intersection of the IS and LM curves is to the left of the FE line A decrease in the price level would most likely. eliminate a disequilibrium among the asset labor and goods markets by.	A. Shifting the LM curve down and to the right B. Shifting the IS curve up and to the right C. Shifting the IS curve down and to the left D. Shifting the FE curve to the left
411	Economics is the science of Wealth who gave this definition.	A. J-x Mehta B. Marshall C. Adam Smith D. Robbins
412	Which of the following is correct for the demand and supply schedules given above.	A. The demand curve is non linear B. The slope of the supply curve is 4 C. Equilibrium quantity is 40 units D. The slope of the demand curve is 0.5
413	All of the following represent obstacles to LDC development except.	A. Resource scarcity B. Low level of investment C. Low population D. Poor infrastructure
414	To prevent the external value of the currency from falling the government might	A. Reduce interest rates B. Sell its own currency C. Buy its own currency with foreign reserves D. Increase its own spending
415	The business cycle describes fluctuations in output around the.	A. Trend path of output B. Boom C. Recession D. Short run fluctuations in output
416	Weighted monetary aggregates	A. Ignore the fact that some assets are more money like than others. B. Are constructed by simply adding up the outstanding amounts of various types of assets C. Give greater weight to currency than to savings deposits D. Value coins more than currency.
417	Research design indicate a plan of action to be carried out in connection with a proposed.	A. Research proposal B. Research methodology C. Research abstract D. Research work
418	Which of the following is not an argument for protectionism.	A. To protect infant industries B. To increase the level of imports C. To protect strategic industries D. To improve the balance of payments
419	The multiplier is calculated as.	A. $1/(1-MPC)$ B. $1/MPS$ C. $1/MPC$ D. a or b
420	Marginal utility is equal to average utility at that time when average utility is.	A. Increasing B. Maximum C. Falling D. Minimum

A. Short run
B. Long run

421	Law of variable proportion is applicable in.	<p>B. Long run</p> <p>C. Anytime</p> <p>D. Fore ever</p>
422	Pakistan place in the world are wise on _____ number	<p>A. 20th</p> <p>B. 25th</p> <p>C. 30th</p> <p>D. 35th</p>
423	"An Enquiry into the Nature and causes of wealth of Nations" is the book of economist.	<p>A. Adam smith</p> <p>B. Marshall</p> <p>C. Robbins</p> <p>D. None of above</p>
424	The income elasticity of demand	<p>A. Is negative for normal goods</p> <p>B. Is positive for normal goods</p> <p>C. Equals the relative change in demand for a good divided by the relative change in the income of consumers all else being equal</p> <p>D. Is correctly described by all of the above</p>
425	Foreign aid is mostly attached with	<p>A. Formalities</p> <p>B. Complexities</p> <p>C. Conditions</p> <p>D. All of these</p>
426	An economy that fails to realize all of its potential gains from specialization is.	<p>A. Achieving productive efficiency</p> <p>B. Operating outside its production possibilities curve</p> <p>C. Operating on its production possibilities curve in an inefficient manner</p> <p>D. Operating inside its production possibility curve</p>
427	Holding all other factors constant consumers demand more of a good the	<p>A. Higher its price</p> <p>B. Lower its price</p> <p>C. Steeper the downward slope of the demand curve</p> <p>D. Steeper the upward slope of the demand curve</p>
428	The % change in quantity demanded due to % change in incomes.	<p>A. Price elasticity</p> <p>B. Prices cross elasticity</p> <p>C. Income elasticity</p> <p>D. All of these</p>
429	Law of demand is not applicable on	<p>A. Daily goods</p> <p>B. Scarce goods</p> <p>C. Consumer goods</p> <p>D. Producer goods</p>
430	Companies in the private sector are owned by	<p>A. The government</p> <p>B. Shareholders</p> <p>C. Employees</p> <p>D. The community</p>
431	The Philips curve shows the relationship between inflation and what?	<p>A. The balance of trade</p> <p>B. The rate of growth in an economy</p> <p>C. The rate of price increases</p> <p>D. Un employment</p>
432	In the labor market if the government imposes a minimum wage that is below the equilibrium wage then.	<p>A. Workers who wish to work at the minimum wage will have a difficult time finding jobs.</p> <p>B. Firms will hire fewer workers than without the minimum wage law.</p> <p>C. Some workers may lose their jobs as a result</p> <p>D. Nothing will happen to the wage rate or employment</p>
433	The impossibility of negative gross investment provides a _____ to fluctuations in.	<p>A. Ceiling, stock building</p> <p>B. Ceiling, capital prices</p> <p>C. floor , output</p> <p>D. floor , the capital output ratio</p>
434	The idea that the money supply should change to accommodate changes in aggregate demand is associated with the ideas of.	<p>A. Milton Friedman</p> <p>B. Ronald reagan</p> <p>C. Margaret Thatcher</p> <p>D. John Maynard Keynes</p>
435	The values are represented by identical symbol or picture's	<p>A. Bar charts</p> <p>B. Pictograms</p> <p>C. Circle charts</p> <p>D. graphs</p>

436	The set of all elements belonging to A but not to B is.	A. B - A B. A - B C. A' D. B'
437	A mathematical expression relating the amount of output produced to quantities of capital and labor utilized is the.	A. Real interest rate B. Productivity relation C. Production function D. Marginal product
438	A public good	A. Is provided by the government B. Is free C. Has the properties of being non excludable and non diminishable D. Has external costs
439	In a simple Keynesian world assume the economy is operating at a full employment noninflationary level worsening world conditions necessitate additional government spending of Rs.50 billion. What should be the direction of change in taxes and magnitude of change to maintain stable price and full employment equilibrium.	A. Increase by Rs.50 billion B. Increase by more than Rs. 50 billion C. Increase by less than Rs.50 billion. D. Decrease by more than Rs.50 billion.
440	If a monopolist's has only fixed costs and chooses that output at which marginal cost equals price. it will	A. Earn positive economic profits B. Earn zero economic profits C. Incur a loss equal to its variable costs D. Incur a loss equal to its fixed costs
441	A decrease in autonomous consumer expenditure causes the equilibrium level of aggregate output to _____ at any given interest rate and shifts the ____ curve to the _____	A. rise ; LM ;right B. rise ; IS ; right C. Fall ; LM ; left D. rise ;IS; Left
442	Suppose an individual spends all his income on only two goods, good X and good Y moreover suppose that you were asked to derive his price consumption curve for good Y Which of the following would be allowed to vary.	A. Money income B. The tastes of the consumer C. The price of good X D. The price of good Y
443	The demand for labor slopes down and to the right because of.	A. The law of demand B. The iron law of wages C. The law of diminishing marginal returns D. Economies of scale
444	In a market system sellers act in ____ interest, but this leads to behaviors in ____ interest.	A. Self : self B. Self ; society's C. Society's ; society's D. society's, self
445	facts are empirically verifiable	A. Research B. Observations C. theory D. Data
446	Which one of the following would cause demand pull inflation.	A. Increases in production costs B. Wage gains in proportion productivity gains C. An increase in aggregate demand with shortages of supply D. Monopsonistic labor markets
447	For a competitive firm the demand curve	A. A horizontal B. Coincides with the marginal revenue curve C. Coincides with the average revenue curve D. All of the above
448	Identify the three motives of money demand.	A. Accumulative B. Speculative precautionary C. Speculative transaction precautionary D. Precautionary special trisection
449	a demand curve can shift because of changing.	A. Incomes B. Prices of related goods C. Tastes D. All of the above
450	An economy that has achieved full production has achieved	A. Both allocative and productive efficiency B. Allocative but not productive efficiency C. Productive but not allocative efficiency D. Neither allocative nor productive efficiency

451	A temporary decline in productivity would cause the IS curve to.	A. Shift up and to the right B. Shift down and to the left C. Remain unchanged D. Shift up and to right only if people face borrowing constraints
452	International trade forces domestic firms to become more competitive in terms of.	A. The introduction of new products B. Product design and quantity C. Product price D. All of the above
453	For any square matrix A of order 'n' $a + A$ is.	A. Skew symmetric B. Non skew symmetric C. Symmetric D. Non symmetric
454	If the production function is $Q = 8 KL$ the marginal rate of technical substitution of labor for capital is.	A. 8 B. K/L C. L/K D. B/KL
455	In the short run in the Keynesian model a sharp increase in oil prices would leave the economy with a ____ level of output and a _____ real interest rate.	A. Higher ; lower B. Lower ; Higher C. Higher ; higher
456	Which of the following organization primarily provides long term loans to developing countries to help them develop the infrastructure such as schools hospitals and roads.	A. World Bank B. International Monetary fund C. Council on Foreign Relations D. Organization of petroleum Exporting countries.
457	A firm's long run average total cost line is	A. Identical to its long run marginal cost line B. Also its long run supply curve C. In fact the average total cost curve of the optimal plant D. Tangent to all the curve of short run average total cost
458	The bowed shape of the production possibilities curve illustrates.	A. The law of increasing marginal cost B. the production is inefficient C. That production is unattainable D. The demand is relatively inelastic
459	By financial crowding out economists mean	A. What the government borrows cannot be used for private investment B. Government borrowing drives up interest rates. C. Bank of England controls on commercial bank lending D. Credit rationing
460	In the long run an increase in government purchases of military equipment would cause output to _____ and the aggregate price level to _____	A. Stay constant fall B. fall ; fall C. fall ; stay constant D. stay constant ; rise
461	An independent assessment of the impact of firm's activities on society is called a.	A. Financial audit B. Balance sheet C. Profit and loss account D. Social audit
462	The effect of a tax to offset a negative externality will be to _____ price and _____ quantity.	A. Reduce, reduce B. increase, increase C. Increase , reduce D. reduce, increase
463	Suppose that the price elasticity of demand for maple syrup has been estimated at -2 if quantity demanded increased by 10 percent, price must have changed by.	A. 5 percent lower B. 5 percent higher C. 10 percent lower D. 10 percent higher
464	The equilibrium price and quantity , given the inverse demand and supply functions. $p_D = 3q + 30$ and $p_S = 2q - 5$	A. $p = 9$ and $q = 7$ B. $p = 10$ and $q = 7$ C. $p = 9$ and $q = 8$ D. $p = 7$ and $q = 9$
465	In the Keynesian cross diagram a decrease in investment spending because companies become more pessimistic about investment profitability causes the aggregate demand function to shift _____ and the equilibrium level of aggregate output to _____	A. up ; rise B. up ; fall C. down ; rise D. down ; fall
466	In 1950's liberal policy was adopted regarding.	A. Export B. Imports C. Both D. Non

467	Research is an organized	B. Survey C. Investigation D. Experiment
468	In balance of payments accounting tourism and travel are classified in the	A. Merchandise trade account B. Services account C. Unilateral transfers account D. Capital account
469	As disposable income increases from Rs. 1500 to 2000 , saving increases from minus Rs. 50 to Rs.250 if the relationship between disposable income and saving is linear, the MPC obviously has a value of.	A. .6 B. .8 C. .4 D. .2
470	Primary producers maybe labeled as.	A. White collar workers B. Pink collar workers C. Red collar workers D. None of these
471	Public utilities tend to be	A. Inefficient B. Natural monopolies C. subject to increasing costs D. None of these
472	A Horizontal demand curve for a good could arise because consumers.	A. Are irrational B. Are not sensitive to price changes C. View this good as identical to another good D. Have no equivalent substitutes for this good
473	Friend man's theory of consumption focuses on	A. Past income B. Current income C. Disposable income D. Permanent income
474	A straight line downward sloping demand curve implies that as price falls the elasticity of demand.	A. Increases B. Decreases C. Remain the same D. None of these
475	The sufficient condition required for the matrix to posses inverse is that the matrix should be.	A. square matrix B. Singular matrix C. Non singular matrix D. Orthogonal matrix
476	Women and non whites on average receive lower comes than white men because.	A. They tend to work in relatively unskilled jobs B. Educational disadvantage C. Firms are reluctant to invest in training D. All of the above
477	Which of the following is not viewed by the text as a major political obstacle to development.	A. Growth oriented polices may damage the short term interest of influential groups B. Civil war C. Corruption D. Departing from strict laissez faire principles
478	Short run is a time frame where a firm can change its.,	A. Total cost B. Total production C. Plant size D. None of these
479	Micro economics is the study of.	A. Economy on the whole B. Large units of the economy C. Individual units of the economy D. General economics
480	The demand curve of unitary elastic commodity is.	A. Rectangular hyperbola B. Parabola C. Straight line D. None of these
481	When the value of output exceeds planned spending .	A. There is unsold output, and the level of income will fall B. there is unsold output and the level of income will rise C. There is unsold output, and the level of income does not change. D. All of the above
482	In autarky equilibrium.	A. Production equals consumption B. Export equal inmprts C. There is no trade D. All of the above

483	The determinant of quadratic form is called.	A. Jacobian determinant B. Hessian determinant C. Discriminant D. None of these
484	Which of the following is not one of the basic economic questions.	A. What is produce B. Who to produce for C. How to produce D. How to maximize economic growth
485	Actual equilibrium is Rs. 1,500 billion and full employment is Rs. 2,500 MPC = 0.75 taxes are zero , and prices are adjustable To eliminate the observed deflationary gap , the government should.	A. Increase G by Rs.1,000 B. Decrease G by Rs.250 C. Increase G by less than Rs.100 D. Decrease G by more than Rs.250 but less than Rs.1000
486	The sacrifice involved when you choose a particular course of action is called the	A. Alternative B. Opportunity cost C. Consumer cost D. Producer cost
487	Starting from a position where the nation's money demand equals the money supply and its balance of payments is in equilibrium, economic theory suggest that the nation's balance of payments would move into a surplus position if there occurred in the nation a.	A. Decrease in the money supply B. Increase in the money supply C. Decrease in the money demand D. any of the above
488	The largest lenders to less developed countries are	A. Western government B. Multi lateral agencies C. Private banks D. Invidia investors who purchase government bonds
489	If import licenses are auctioned off to domestic importers in a competitive market their scarcity value accrue to.	A. Foreign corporations B. Foreign workers C. Domestic corporations D. The domestic government
490	If the foreign interest rate is 12% while the domestic interest rate is 9% then the forward premium will be.	A. 1.3 % B. 12% C. 9% D. 3%
491	To maximize revenue, an excise tax should be imposed on a product	A. That has a highly elastic demand curve B. Such as St. Joseph's children's aspirin. C. Such as salt D. such as Toyota automobiles
492	As more labor is added to a fixed amount of input the rate at which output goes up begins to decrease This is called.	A. Diminishing marginal utility B. Diminishing marginal productivity C. Diminishing marginal costs D. Diminishing marginal profit
493	Fiscal policy is weak under floating exchange rates as fiscal expansion.	A. Crowds out imports B. Crowds out public consumption C. Crowds out exports D. Reduces the budget deficit
494	A change that increases real money demand relative to the real money supply causes.	A. The LM curve to shift down and to the right B. The LM curve to shift up and to the left C. The IS curve to shift down and to the left D. The IS curve to shift up and to the right
495	In the Keynesian cross diagram a decline in autonomous consumer expenditure causes the aggregate demand function to shift down The equilibrium level of aggregate output to _____ and the IS curve to shift to the _____	A. rise,; left B. rise ;right C. fall ; left D. fall ; right
496	Short run average total costs are equal to the sum of _____ and _____	A. Short run opportunity costs, profit B. Short run average variable costs, profit C. short run average variable costs, profit. D. Short run average variable costs short run average fixed costs
497	Externalities arise because there is a divergence between _____ and _____	A. Private costs, private benefits B. Private costs, social costs of benefits C. Social cost, social benefit D. Insiders, outsiders
498	_____ is the founder of the _____ school of thought.	A. Z.A. Bhutto B. Nawaz sharif

498	Bank and other corporations were nationalized by	C. Zia ul Haq D. None of these
499	International trade is based on the notion that.	A. Different currencies are an obstacle to international trade B. Goods are more mobile internationally than are resources C. Resources are more mobile internationally than are goods D. A country's exports should always exceed its imports
500	Monetary policy is concerned with influencing.	A. The general level of money wages B. The level of government expenditure C. The price and availability of money D. The level of shares on the stock market
501	When the price of foreign currency exchange is above the equilibrium level.	A. An excess demand for that currency exists in the foreign exchange market. B. An excess supply of the currency exists in the foreign exchange market C. The demand for foreign exchange shifts outward to the right D. The demand for foreign exchange shifts backward to the left.
502	The main role of the Federal Reserve is to	A. Administer the government on the state of the economy B. Oversees the operations of the financial system and monetary management. C. Establish the value of the dollar and official interest rates D. Provide advice to the government on the state of the economy.
503	In the Keynesian cross diagram an increasing investment spending because companies become more optimistic about investment profitability causes the aggregate demand function to shift _____ and the equilibrium level of aggregate output to rise and the IS curve to shift to the	A. up ; right B. up ; left C. down ; left D. down ; right
504	The funds used for further investment in joint stock company refers to.	A. Distributed B. Undistributed C. Remaining D. All of the above
505	If the federal reserve wishes to increase the money supply, it should	A. Raise the reserve requirement B. Raise the discount rate C. Buy Treasury securities in the open market D. All of the above
506	In the money market a condition of excess supply of money can be eliminated by a _____ in aggregate output or a _____ in the interest rate, both of which increase the quantity of money demanded.	A. rise ; rise B. rise ; fall C. fall ; rise D. fall ; fall
507	$MC = MR = AR = AC = \text{Price}$ shows the long run	A. Monopolist firm B. Oligopolistic firm C. Competitive firm D. Both a and b
508	The extent of variability is measured by	A. Central tendency B. Measures of dispersion C. Arithmetic mean D. Co relation
509	Cross -elasticity following commodities is very high	A. Compliments B. Normal C. Goods substitutes D. Good compliments
510	If the price of an apple increases.	A. Its opportunity cost decreases B. Its opportunity cost increases C. The substitution effect does not occur D. The income effect does not occur
511	A tariff causes domestic firms to _____ and consumers to	A. Overproduced, under consume B. overproduce, overconsume C. Underproduce, under consume D. underproduce, overconsume
		A. Average revenue equals average variable cost B. Marginal revenue equals marginal

512	Normal profit occurs when	cost C. Average revenue equals marginal cost D. Average revenue equals average cost
513	In pure competition.	A. Strong rivals exist B. Cartels are formed C. Both a and b D. None of these
514	Nominal GNP measures income	A. At the present time B. Corrected for tax changes C. Corrected for changes in interest rates D. At current prices
515	You are told the level of savings in the economy is Rs.25 billion of equilibrium. Using the consumption function $C = 20 + .9 Y$, find equilibrium income.	A. 250 B. 900 C. 450 D. 350
516	Adam Smith includes in the model of economic growth following factors of production.	A. Labor only B. Capital only C. Labor and capital D. Labor, capital, and land
517	An autonomous decline in the value of the Pakistan Rupee makes Pakistan goods _____ relative to foreign goods and results in a _____ in net exports.	A. Cheaper ; decline B. Cheaper ; rise C. dearer ; decline D. dearer ; rise
518	The developing countries need to have a big push or big comprehensive package for economic development is the view of.	A. Nurkse B. M.P Todaro C. Rosenstein Rodan D. Leibenstein
519	Which of the following events will lead to a decrease in the demand for money.	A. An increase in the level of aggregate output. B. A decrease in the supply of money C. A decrease in the interest rate D. a decrease in the price level
520	Measure of skewness gives.	A. Direction of skewness B. Extent of skewness C. Both a and b D. None of these
521	A decrease in money demand, other things equal, shifts the _____ curve to the _____.	A. IS ; right B. IS ; Left C. LM ; Left D. LM ; Right
522	A vertical demand curve for a particular good implies that consumers are.	A. Sensitive to changes in the price of that good B. Not sensitive to changes in the price of that good. C. Irrational D. Not interested in that good
523	Holding all other things constant, a higher price for ski lift tickets would.	A. Increase the number of skiers B. Increase the price of skis C. Decrease the number of skis sold D. Decrease the demand for other winter recreational activities
524	When a government prints money to finance its expenditures, it is likely to cause	A. Unemployment B. Inflation C. Deflation D. Reductions in the use of barter
525	An increase in productivity should.	A. Lead to a contraction of supply B. Lead to an expansion of supply C. Lead to a shift in supply outwards D. Lead to higher equilibrium and lower equilibrium quantity.
526	If the expected inflation rate is unchanged, a fall in the natural rate of unemployment would.	A. shift the Phillips curve to the right B. Not shift the Phillips curve C. Shift the Phillips curve to the left D. shift the Phillips curve to the left, shift the long-run Phillips curve to the right
527	Given a proportional income tax and a government budget that is currently in balance, an increase in autonomous investment, ceteris paribus, increases equilibrium income and the budget.	A. Remains in balance B. Has a surplus C. Has a deficit D. None of these

528	According to the balances growth theory	A. UDCs can be developed by foreign aid B. UDCs can be developed by national saving C. UDCs have to start from beginning D. DCS are responsible for the development of UDCs
529	The quantity of money demanded varies	A. Directly with both prices and output B. Inversely with both prices and output C. Directly with prices and inversely with output D. Inversely with prices and directly with output
530	Which of the following will not be a determinant of the price elasticity of demand for a commodity.	A. The absence of substitute for the good. B. The presence of substitutes for the good. C. The importance of the commodity in consumers budgets D. The cost of producing the commodity
531	A determinant compose of all the second order partial derivatives, with the second order direct partials on the principal diagonal and the second order cross partials off the principal diagonal and which is used to second order condition of optimization is called.	A. Jacobian determinant B. Hessian determinant C. Discriminant D. None of these
532	The equilibrium level of saving is.	A. Rs.120 B. Rs.75 C. Rs.40 D. Rs.80
533	Which of the following is not an example of the functions of statistic.	A. Average B. Intelligence quotient C. Diagram D. x2 test
534	The value of a household's assets minus the value of its liabilities is called.	A. Income B. Debt C. Stock D. Wealth
535	A monopolist who is charging high price operates on.	A. inelastic part of demand curve B. Elastic demand of part curve C. Ignore elasticity D. More elastic demand of part curve
536	The central economic problem in an economy refers to.	A. The prevalence of unemployment B. To allocate scarce resources between competing uses. C. Consumers having less money than they would like D. ensure that production costs are converted by sales revenue.
537	A_____ is an example of a quota where foreigners hold quota licenses.	A. Export quota B. Embargo C. Auction quota D. Tariff quota
538	In monopsony there is	A. Single seller B. Two buyers C. Single buyer D. Few buyer
539	The theory that is equilibrium workers wages will barely be adequate for biological needs is knows as the.	A. Labor theory of value B. Convergence hypothesis C. Subsistence theory of wages D. Indicative planning model
540	If the determinant formed by the elements of the matrix is not equal to zero, then the matrix is called.	A. Skew symmetric B. Symmetric C. Singular D. Non -singular
541	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
542	An essential Criterion of Scientific study is.	A. Belief B. Value C. Objectivity D. subjectivity

543	LDC's often have a comparative advantage in the production of.	A. Primary products B. Intermediate products C. Manufactured products D. Financial services.
544	The theory of _____ suggests that government can assist domestic competitors.	A. International dumping B. Countervailing duties C. Strategic trade policy D. Export promotion policy
545	If equilibrium national income is less than the full employment the gap can be closed by.	A. Raising taxes B. Decreasing government expenditures C. Raising taxes and decreasing government expenditures. D. Increasing government expenditures.
546	The main source of interest profits for banks is.	A. Checking account fees B. Loans C. Government securities D. Savings accounts
547	If the price level for an economy was 100 in 1984 , 115 in 1985 and 125 in 1986 the rate of inflation between 1985 and 1986 was.	A. 105 B. 8% C. 8.7% D. 17.5%
548	An increase in expected inflation is likely to cause.	A. A decline in the demand for real balances B. an increase in the demand for real balances. C. No change in the demand for real balances D. No change in the demand for real balances only if the income elasticity of real money demand is zero.
549	A technological improvement will	A. Increases the desired capital stock B. Decrease the desired capital stock C. Have no effect on the desired capital stock D. Have the same effect on the desired capital stock as an increase in corporate taxes.
550	Rorschach test comes under visual projective.	A. method B. research C. techniques D. Audio
551	Intermediate goods are meant for	A. Direct use by the consumers B. Further processing C. The term do not exist D. None
552	Developing countries that concentrate production in agricultural products or raw materials may face a long run decline in their international terms of trade because of.	A. Inelastic demand for these products in advanced countries. B. Large increase in the supplies of these products on world markets because of export expansion policies C. sluggish demand for these products in advanced countries D. All of the above
553	The ABC corporation.	A. Is earning a pure economic profit B. Should produce zero units of output C. Is sustaining an economic loss D. Is breaking even
554	Which of the following is NOT an example of non price competition in the auto industry.	A. End of the year discounts B. Zero percent auto loans C. Television advertising D. Establishing market niches
555	The first census in Pakistan was held in	A. 1948 B. 1951 C. 1959 D. 1961
556	According to the Heckscher - Ohlin model the source of comparative advantage is a country's	A. Technology B. Advertising C. Factor endowments D. both a and c
557	Which of the following taxes is regressive	A. The federal income tax B. The state income tax C. The sales tax D. The property tax

557	Which of the following taxes is regressive?	C. The sales tax D. The Medicare tax
558	In the Keynesian cross diagram, an increase in autonomous consumer expenditure causes the aggregate demand function to shift _____ the equilibrium level of aggregate output to fall, and the IS curve to shift to the _____.	A. up ; left B. up ; right C. down ; left D. down ; right
559	The "Law of demand" most directly means that consumers buy _____	A. More of a good the higher their incomes, ceteris paribus. B. Less of a good the higher its price ceteris paribus C. Buy more of a good the less is its supply ceteris paribus D. Buy less of a good the greater is its supply ceteris paribus
560	Micro economics is concerned with _____	A. The economy as a whole B. The electronics industry C. The study of individual economic behavior D. the interactions within the entire economy
561	In a matrix, if there is only one row but any number of columns, it is called _____.	A. Row matrix B. Column matrix C. Row vector D. Both a and c
562	A sudden shift from import tariffs to free trade may induce short term unemployment in _____.	A. Import competing industries B. Industries that are only exporters C. Industries that sell domestically as well as export D. Industries that neither import nor export
563	"Rising productivity does not in itself spell the end of inflation. With enough _____ it would still be possible to whip prices into a froth the blank is best filled with _____."	A. Income growth B. Unemployment C. Money growth D. Taxes
564	An adverse supply shock that is permanent shifts which curve in addition to the curves shifted by _____. One that is temporary _____.	A. The LM curve B. The IS curve C. The FE line D. The labor demand curve
565	Expenditure on unproductive assets are strangely criticized and savings are emphasized by _____	A. Ibn e Khaldun B. Ibn e Taimiya C. Nasiruddin Tusi D. None of these
566	Social research aims at _____.	A. Integration B. Social harmony C. National integration D. Social equality
567	Julius Simon has pointed out the applied social sciences in _____.	A. Policy assessment B. Policy implementation C. Policy formulation D. Policy decision
568	Which of the following changes shifts the AD curve down and to the left _____.	A. A temporary increase in government purchases. B. A rise in the nominal money supply C. A decrease in corporate taxes D. A decrease in consumer confidence
569	An increase in oil prices, such as the oil shocks in the 70 s, lead to _____ there by causing _____	A. A movement along the AS curve cost push inflation B. A leftward shift in the AS curve demand pull inflation. C. A rightward shift in the AS Curve cost push inflation D. a leftward shift in the AS curve cost push inflation
570	When your grandmother keeps her savings hidden under her mattress she is using money as _____.	A. a standard of deferred payment B. A comfortable thing for sleeping C. A medium of exchange D. A store of value
571	The negative effect on the economy that occurs when average tax rates increase because taxpayers have moved into higher income brackets during an expansion is _____.	A. Fiscal drag B. The Laffer curve C. Bracket creep D. Debt burden

A. Data , its analysis and interpretation

572	The prominent meaning of statistic	<p>interpretation</p> <p>B. Observation of samples</p> <p>C. Method for analyzing numbers</p> <p>D. conducting census</p>
573	If there is a price ceiling, there will be.	<p>A. Shortages</p> <p>B. surpluses</p> <p>C. Equilibrium</p> <p>D. None of these</p>
574	In Islamic economic system business is allowed in the field of.	<p>A. Halal goods only</p> <p>B. beneficial goods</p> <p>C. Consumer goods</p> <p>D. All of these</p>
575	Equilibrium in the market for good A obtains.	<p>A. When there is no surplus or shortage prevailing in the market</p> <p>B. Where the demand and supply curves for A intersect</p> <p>C. When all of what is produced of A is consumed</p> <p>D. All of the above</p>
576	"A monetary rule need not mean a single baid number If the central bank fears velocity shifts rules could be adopted for adjusting the target in the face of a trends change in velocity "If velocity were trending upward the target money growth rate would be adjusted.	<p>A. Upward</p> <p>B. Down ward</p> <p>C. To be zero</p> <p>D. To match inflation</p>
577	Land will be allocated between competing uses so that.	<p>A. Housing gets priority</p> <p>B. Industry gets priority</p> <p>C. Faming gets priority</p> <p>D. The equilibrium rental rate equilibrium total demand with supply</p>
578	An increase in autonomous consumer expenditure causes the equilibrium levelof aggregate output to _____ at any given interest rate and shifts the ____ curve to the	<p>A. rise ; LM ;right</p> <p>B. rise ; IS ; right</p> <p>C. fall ; LM, Left</p> <p>D. rise ; IS ; Left</p>
579	A decline in taxes __ consumer expenditure and shifts the _ curve shifts to the.	<p>A. Raises ; LM; Right</p> <p>B. Lowers; IS ; left</p> <p>C. raises ; IS; right</p> <p>D. Lower ; LM; left</p>
580	If government spending of Rs. 10 and a lump sum tax of Rs.10 is added, the empirical equation for the new IS curve becomes.	<p>A. $Y = 285 + 20 I$</p> <p>B. $Y = 270 - 10 i$</p> <p>C. $Y = 285 - 50 i$</p> <p>D. $Y = 210 - 0.5 i$</p>
581	What does the phrases "there is no such thing as a free lunch'mean"	<p>A. Individuals must always pay money for the food the eat.</p> <p>B. No restaurant vner will provide food to patrons unless they pay her</p> <p>C. Restaurant owners act selfishly</p> <p>D. Consumption of any good requires that other goods be given up</p>
582	The income effect of a price change	<p>A. Is always positive</p> <p>B. Is always negative</p> <p>C. May be positive or negative</p> <p>D. Is associated with a change in nominal income</p>
583	The level of the equilibrium exchange rate offsets international difference in.	<p>A. Comparative advantage</p> <p>B. Absolute advantage</p> <p>C. Opportunity cost</p> <p>D. Relative costs</p>
584	The price of Ketchup at a market increases by 12.5% per can, which results in a decrease in quantity purchased by 40% per week, the demand is.	<p>A. Relatively elastic</p> <p>B. Relatively inelastic</p> <p>C. Perfectly elastic</p> <p>D. Perfectly iinelastic</p>
585	The multiplier that applies to changes in autonomous investment is identical to changes in.	<p>A. Autonomous government expenditures</p> <p>B. Autonomous consumption expenditures</p> <p>C. Autocoups exports</p> <p>D. All of the responses above</p>
586	It essentially states that there is no relation between the variables of the problem.	<p>A. Hypothesis</p> <p>B. Refines hypothesis</p> <p>C. Crude hypothesis</p> <p>D. Working</p>
587	The commission's authoritative figures include a Chairman who is the_____ assisted by the deputy chairman and a science advisor.	<p>A. Prime Minister</p> <p>B. President</p> <p>C. Chairman Senate</p> <p>D. None of these</p>

588	Top footballers tend to earn more than lecturers because.	A. Footballers give more entertainment B. Lecturers are lazy C. The labour markets are imperfect D. Top footballers are relatively scarce in relation to lecturers
589	Using the Keynesian model the effect of a government imposed ceiling on interest rates paid on personal checking accounts that is lower than the current market interest rate would be to cause _ in the real interest rate and _ in input out in the short run.	A. A decrease ; a decrease B. A decrease ; no change C. A decrease ; an increase D. An increase ; a decrease
590	For a competitive firm its short run supply curve is _____ and its long run supply curve is.	A. SMC , LMC B. SMC above SAVC, LMC above LAC C. SMC below SAVC, LMC above LAC D. SMC Below SAVC, LMC below LAC
591	Qualitative research focuses primarily on the meaning of.	A. Subjective attributes of individuals or groups B. Objective attributes of individuals or groups C. Facts of individuals or groups D. Descriptive attributes of individuals or groups
592	Policy of nationalization was adopted in the period of.	A. Z.A. Bhutto B. Nawaz Sharif C. Zia ul Haq D. All of them
593	The basic objective of sampling study is.	A. To draw inference B. To check units of population C. To collect numerical data D. To make census
594	In Production of goods and services tradeoffs exist because.	A. Buyers and sellers often negotiate prices B. Society has only a limited amount of productive resources C. Not all production is efficient D. Human wants and needs are limited at a particular point in time
595	The key feature of oligopoly is.	A. Excess capacity B. High profitability C. Product differentiation D. Interdependence of firms
596	A tariff that prohibits imports has only	A. A revenue effect and redistribution effect B. Revenue effect and protection effect C. Consumption effect and production effect D. Redistribution effect and consumption effect
597	Suppose there is full employment and a positively sloped aggregate supply schedule. A decrease in taxes increases.	A. The price level and real output B. the price level but has no effect on real output C. Real output but has no effect on the price level D. The nominal and real wage
598	What is embodied sampling.	A. Haphazard selection B. Numbers C. Definite rules D. Accuracy
599	Which of the following macro economic variables doesn't vary much over the seasons.	A. The nominal money stock B. The unemployment rate C. The real wage D. Average labor productivity
600	Which of the following is not one of the four Ps in marketing.	A. Product B. Price C. Place D. Presence
601	An increase in the real wage rate will cause	A. The labor demand curve to shift to the right B. The labor demand curve to shift to the left C. The quantity of labor demanded to rise D. A movement along the labor demand curve

602	When world trade organization replace GATT.	A. 1 January 1995 B. 1 January 1994 C. 1 December 1997 D. 1 Jun 2000
603	Believers in the monetarist rule assert that	A. Lags are long and variable B. the economy can be stabilized by automatic mechanisms C. The central bank should keep the money supply growth constant D. All of the above
604	"Economics is a science " the basis of this statement is.	A. Relation between causes and effect B. Use of deductive method and inductive method for the formations of laws C. experiments D. All of the above
605	Skills that embodied in a person are called.	A. Human capital B. Embodied skills C. Physical capital D. Experience skills
606	The economies of the developing nations are monitored by.	A. ILO B. WTO C. IMF D. UNICEF
607	Research may be made through either arbitrary method of	A. Rational method B. Scientific method C. Imagination method D. Vague method
608	Union of A and the universal set is	A. A B. A' C. Universal set D. None of these
609	The parable of Riding a Switchback suggests that stabilizing policy.	A. Is not sufficiently stimulating or contra citing the economy at any time B. Is desirable C. Is effective D. Is stimulating or contracting the economy at the wrong times.
610	Which among the following is a material for statics.	A. Honesty B. Poverty C. Wisdom D. Numerical data
611	Who defined research is an organized enquiry.	A. Kerlinger B. Emory C. Mony D. Redman
612	Specific tariffs are collected as	A. Fixed amount of money per unit traded B. a percentage of the price of the product C. A percentage of the quantity of imports D. All of the above
613	Which of the following could be a reason for the problem of lack of jobs being overestimated.	A. the existence of disguised unemployment B. People are underemployment C. People holding only one job D. The existence of child labour
614	A demand curve shows that relation between price and demand.	A. Positive B. Negative C. Zero D. Very strong
615	Who among the following is a supporter of animal liberation	A. Paul taylor B. Arne Naess C. Peter Singer D. None of these
616	If there is a price ceiling there will be	A. Shortages B. Surpluses C. Equilibrium D. None of these
		A. To allow more saving than investment

617	The purpose of financial intermediaries is.	<p>investment</p> <p>B. To discourage consumption spending</p> <p>C. To collect income taxes for the government</p> <p>D. To serve as middlemen between savers and borrowers.</p>
618	Information that is represented usually as words, not numbers.	<p>A. Qualitative data</p> <p>B. Quantitative data</p> <p>C. Primary data</p> <p>D. Scientific data</p>
619	Which stage guides from the planning stage to the stage of drawing of final conclusions.	<p>A. Numerical facts</p> <p>B. Statistical methods</p> <p>C. Data</p> <p>D. None of the above</p>
620	A normal good can be defined as one which consumers purchase more of as.	<p>A. Price fall</p> <p>B. Price rise</p> <p>C. Income fall</p> <p>D. Incomes increase</p>
621	An increasingly higher marginal income tax is	<p>A. Progressive</p> <p>B. Regressive</p> <p>C. Proportional</p> <p>D. Both b and c</p>
622	The law of diminishing marginal returns to a factor of production is.	<p>A. Not applicable</p> <p>B. Another explanation of economies of scale</p> <p>C. A principle of scales</p> <p>D. None of these</p>
623	If matrix A is of $m \times n$ dimension, then A will be	<p>A. $n \times m$ dimension</p> <p>B. $m \times n$ dimension</p> <p>C. $n \times p$ dimension</p> <p>D. $m \times m$ dimension</p>
624	The IMF is an agency charged with providing.	<p>A. Technical assistance to stock market and financial market problems.</p> <p>B. Loans for post World War II reconstruction</p> <p>C. Short term credit for international balance of payments deficits</p> <p>D. Bonds denominated in U.S. dollars as a loan to LDCs</p>
625	Tax and rulers duty and terms of trade are discussed in.	<p>A. Kitab ul Anwal</p> <p>B. ammal</p> <p>C. Kitab Ul Asar</p> <p>D. Kitab ul Khiraj</p>
626	If access internet services consumers must use a computer if computer prices fall, what is the effect on the demand for internet services.	<p>A. The demand for internet services increases.</p> <p>B. The demand for internet services decreases</p> <p>C. The demand for internet services does not change</p> <p>D. The demand for internet services could increase, decrease, or stay the same depending on other factors.</p>
627	In the balance of payments, travel and tourism are included in the category of.	<p>A. Unilateral transfers</p> <p>B. Capital account</p> <p>C. Merchandise account</p> <p>D. Services account</p>
628	Less Developed countries tend to have	<p>A. A high average age</p> <p>B. A slow population growth rate</p> <p>C. High life expectancy</p> <p>D. A low literacy rate</p>
629	The Marxist theory of dialectical materialism theoretically follows a sequence	<p>A. synthesis thesis antithesis</p> <p>B. Antithesis synthesis thesis</p> <p>C. thesis antithesis synthesis</p> <p>D. synthesis antithesis thesis</p>
630	A temporary adverse productivity shock would.	<p>A. Shift the labor supply curve upward</p> <p>B. Decrease the level of employment</p> <p>C. Decrease future income</p> <p>D. Decrease the expected future marginal product of capital</p>
631	GDP plus net property income from abroad equals what.	<p>A. GNP</p> <p>B. NNP</p> <p>C. Depreciation</p>

		D. Real GDP
632	For any square matrix A of order n , $(A^T A)$ is equal to.	A. $(A^T A)$ B. Determinant A C. Rank of A D. Both a and b
633	the theory of overlapping demands predicts that trade in manufactured goods is unimportant by countries with very different .	A. Tastes and preferences. B. Expectations of future interest rate levels C. Per capita income levels D. Labor productivities.
634	Suppose the government provides a tax cut today that is matched by a tax increase in the future that's equal in present value to the tax cut This causes a consumer's saving to.	A. Decrease B. Increase C. Remain unchanged D. Increase if the person was a lender and decrease if the person was a borrower
635	The first step in formulating a problem is.	A. Statement of the problem B. Gathering of data C. Measurement D. Survey
636	Green revolution was in the following sector	A. Agricultural sector B. Import sector C. Services sector D. Industrial sector
637	Under floating exchange rates, expectations of higher interest rates are likely to cause an _____ of the exchange rate.	A. Depreciation B. Appreciation C. fall D. Devaluation
638	The efficiency wage model can be modified to allow real wages to vary over the business cycle by assuming that.	A. Workers effort may depend on the unemployment rate and the real wage B. During a recession labor supply will decrease reducing the efficiency wage C. During a recession productivity will fall causing a reduction in the efficiency wage D. During a boom labor demand will increase, causing the efficiency wage to rise
639	A tariff can _____ raise a country's welfare	A. Never B. Sometimes C. always D. None of the above
640	An economics variable that moves in the same direction as aggregate economic activity is called.	A. Countercyclical B. Proccyclical C. A cyclical D. A leading variable
641	Any combination of products inside the production possibility frontier is	A. Allocatively inefficient B. X inefficient C. Consumer inefficient D. Productively inefficient
642	The marginal rate of substitution for two goods can be obtained from	A. The slope of the demand curve B. The slope of the indifference curve C. The ration of first derivative of the total utility functions D. B and D both
643	The type of business in which an individual has unlimited responsibility for the debts of the organization.	A. Partnership B. Corporation C. Monopoly D. None of these
644	A deflationary policy could include	A. Increasing injections B. Reducing taxation rates C. Reducing interest rates D. Reducing government spending
645	Fiscal policy refers to.	A. The actions of the central bank in controlling the money supply B. The government's attitude to taxation C. The spending and taxing policies used by the government to influence the economy D. The governments regulation of financial intermediaries.

646	if two sets do not have any common element, then they are called.	A. Complement sets B. Joint sets C. Disjoint sets D. None of these
647	The reduction of the inflation rate is called	A. Deflation B. Disinflation C. Inflation D. Reflation
648	Skewness refers to.	A. Symmetry B. Asymmetry C. Flatness D. Variance
649	When a tax is levied on a good.	A. The market price falls because demand declines. B. The market price falls because supply falls. C. A wedge is placed between the price buyers pay and the price sellers receive D. The market price rises because demand falls.
650	Eco Philosophy mainly deals with ethical part	A. Philosophy B. Metaphysics C. Logic D. Aesthetics
651	Can economic theories be tested.	A. No since individuals will seldom respond in predictable ways B. Yes, since all individuals respond in the same ways to the same situation. C. No, since the general behavior of a large number of individuals cannot be predicated D. Yes, since people will, on average, respond in predictable ways to changes in costs and benefits.
652	Who among the following is concerned with deep ecology.	A. Arne Naes B. Warwick Fox C. Kant D. None of these
653	The associative law of union is	A. $A \cup (B \cap C) = (A \cup B) \cap (A \cup C)$ B. $U \cap C$ C. $A \cup B = B \cup A$ D. $B \cup C = C \cup B$
654	The multiplier for a change in social security benefits is equal to the multiplier for a change in the same direction in salaries of Evanston police officers' terms.	A. the marginal propensity to save B. Minus the marginal propensity to save C. The marginal propensity to consume D. Minus the marginal propensity to consume
655	How much of the Rs. 5 billion dollar increase in the government expenditures will be financed by bond sales.	A. Rs. 3.5 billion B. Rs. 1.5 billion C. Rs. 4.9 billion D. Rs. 2.8 billion
656	When an increase in government spending is matched by an equal decrease in government transfers the income level will.	A. Stay the same B. Increase C. Decrease D. None of these
657	The measure used to examine the distribution of wealth at the world level is.	A. Gini coefficient B. Lorenz curve C. Philips curve D. None of these
658	Which characteristic of the following is not belonging to statistics as a method.	A. A tool of analysis B. Helps processing the raw C. Descriptive nature D. Processing done by systematic analysis and interpretation
659	The yield curve shows	A. The yields on stocks of different maturities B. The interest rates on bonds of different maturities. C. The yields on stocks with differing default risk D. The yields on bonds with differing default risk

660	In the long run an increase in consumer spending would cause output to _____ and the price level to. _____	A. rise;rise B. rise; stay; constant C. stay constant ; stay constant D. Stay constant ; rise
661	Which of the following is a policy instrument .as opposed to a government objective.	A. Lower interest rates B. A better balance of trade position C. Faster economic growth D. Lower un employment
662	Indifference curves shows various combinations of.	A. One commodity B. Two C. Three D. All of these
663	It enables the researcher to acquaint himself with current knowledge in the field in which he is going to conduct his research.	A. Social survey B. <div>Research proposal</div> C. Review of literature D. Research design
664	Globalization is likely to increase with	A. More protectionism B. An increase in tariffs C. More trade within countries D. Greater trade flows between countries
665	Aggregate demand refers to the total demand for all domestically produced goods and services in an economy generated from.	A. The household and government sectors B. The household sector C. All sectors except the rest of the world D. All sectors including the rest of the world.
666	If B is a subset of A ,then A is a	A. Super set of B B. Sub set of B C. Empty set of B D. Universal set of B
667	There is positive relationship between multiplier and.	A. Marginal propensity to consume B. Marginal propensity to save C. Marginal efficiency of capital D. all of these
668	The free market involves	A. The free provision of products B. The subsidizing of products by the government C. Market forces of supply and demand D. All trade via barter
669	The difference between what consumers have to pay for a particular and what they are willing to pay is known as.	A. Consumer surplus B. Producer surplus C. Dead weight costs D. Dead weight surplus
670	The Hocksher Ohlin model rules out the classical model's basis for trade by assuming that. _____ is identical between countries.	A. Factor endowments B. Factor intensities C. Technology D. Opportunity costs
671	Real business cycle theory suggests that _____ not important in explaining short term fluctuations around actual output.	A. aggregate supply is B. aggregate demand is C. Potential output is D. Real variables are
672	All of the following are fundamental to the world trade organization except.	A. Bilateral tariff reductions to promote trade liberalization. B. the use of the most favored nation clause C. Nondiscrimination trading relationships D. The prohibition of import quotas and export quotas
673	In a market system, sellers act in _____ interest, but thsi leads to behaviors in _____ interest.	A. Self, self B. Self, society's C. Society's' , society's D. society's, self
674	Drawing conclusion from the data collected is called.	A. Analysis B. Organization C. Tabulation D. Interpretation
675	To reduce the supply of money the government could	A. Reduce interest rates B. Buy back government bonds

675	To reduce the supply of money the government could.	C. Sell government bonds D. Encourage banks to lend
676	Starting from a position of internal and external balance a reduction in aggregate demand will cause a current account.	A. Deficit B. Surplus C. Revaluation D. Devaluation
677	Increase unemployment benefits and less incentive to work would.	A. Shift aggregate supply to the right B. Shift aggregate supply to the left C. Shift aggregate demand to the right D. Shift aggregate demand to the left
678	Market failure may arise because of.	A. Imperfect competition B. Taxation C. Externalities D. All of the above
679	the Maastricht criteria for entry to the EMU are that applicants should have	A. Low inflation B. Low interest rates C. Stable nominal exchange rate D. All of the above
680	Export led growth strategies tend to emphasize.	A. Resource allocation based on the principle of absolute advantage. B. Resource allocation based on the principle of comparative advantage. C. Trade protection for exporting competing firms D. Trade protection for import competing firms
681	The value of the dependent variable where the graph cuts the y-axis is called.	A. X - intercept B. Y - intercept C. Slope D. None of these
682	_____ represents the difference between what consumers have to pay for a product and what they are willing and able to pay.	A. Producer surplus B. Deadweight surplus C. Government surplus D. Consumer surplus
683	Company A estimates the price elasticity of demand for its products.3.0 The price of the product is Rs. 15. If $MC = 2 + 4Q$, the profit maximizing level of output.	A. 4 units B. 2 units C. 5 units D. 3 units
684	The ratio of the change in the equilibrium level of income to a change in some automatic increase in spending is the	A. Elasticity coefficient B. Multiplier C. Automatic stabilizer D. Marginal propensity of the autonomous variable
685	A movement along the demand curve may be caused by	A. A change in income B. A change in the number of buyers C. A change in advertising D. A shift in supply
686	A square matrix A such that $A^2 = A$ is called.	A. Orthogonal matrix B. Skew symmetric matrix C. Idempotent matrix D. Singular matrix
687	All of the following are obstacles to international economic policy coordination except.	A. Different national objectives are institutions B. Different national political climates C. Different phases in the business cycle D. Different national currencies.
688	Which of the following groups is most hurt by unexpected inflation.	A. Workers with cost of living adjustments in their labor contracts B. Home owners C. People with large debts to pay for their homes and cars D. People with large retirement savings held in savings accounts.
689	If a maximum price is set below equilibrium there will be.	A. A price fall B. A price increase C. Excess supply D. Excess demand
690	The first five year plan 1955-60 was prepared by the board and was released in.	A. 1956 B. 1957 C. 1958 D. None of the above

691	Peaks and trough of the business cycle are known collectively as.	A. Volatility B. Turning points C. Equilibrium point D. Real business cycle events
692	In 1992 foreign currency accounts were frozen due to economic sanctions imposed due to.	A. a civil war B. Law and order situation C. Nuclear test D. Social problems
693	In perfect competition the transpiration cost	A. Excluded from the total cost B. Is important figure in total cost C. Is ignored D. All of these
694	When the central Bank _____ the money supply the LM curve shifts to the _____ interest rates _____ and equilibrium aggregate output.	A. Increase ; right ; fall ; increase B. increases ; left ; rise ; decrease C. decreases ; left ; rise ; increases D. decreases ; left ; fall ; increases
695	Micro economics studies such topics as	A. The factors that determine inflation B. The forces that influence the price of shoes C. The determinants of total output D. Whether the unemployment rate will rise or fall
696	When the marginal physical product of labor is $800 - 2N$, the price of goods is Rs. 2, and the cost of labor is Rs. 4 per unit, the quantity of labor employed is.	A. 20 Units B. 800 Units C. 399 Units D. 80 units
697	To adjust from gross National Product to Net National Product	A. Deduct depreciation B. Deduct indirect taxes C. Deduct subsidies D. Add inflation
698	In the Keynesian model short run equilibrium occurs where	A. The IS and LM curves interest B. The IS curve LM curve and FE lines intersect C. the IS curve intersects the FE line D. The LM curve intersects the FE line
699	Which of the following is a normative statement in economics.	A. More spending by the government reduces poverty B. Higher taxes lead to less desire to work C. the UK Economy is growing fast relative to other European Union members D. The Government should concentrate on reducing unemployment
700	A depreciation of the dollar will have its most pronounced impact on imports if the demand for imports is.	A. Constant B. Inelastic C. Elastic D. Unitary elastic
701	In a mixed economy the economic decisions of what to produce how to produce, and who will receive products are made by	A. The government B. Consumers and firms C. Banks and stock markets D. Firms, consumers, and government.
702	The largest trading partner of Pakistan is	A. Italy B. US C. USA D. None of these
703	In economics money refers to	A. Income B. Wealth C. Assets use and accepted an payment D. Currency
704	How much will a speculator invest now if he expects to earn Rs. 144 two years from now assuming the nominal rate of interest is 20%	A. Rs.1654.29 B. Rs.100.00 C. Rs.94.00 D. Rs.68.00
705	"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
	Marginalize and the idea that pricing reflects marginal utility and demand was a movement	A. the quantity theory of money B. The labor theory of value

706	marginalize and the idea that pricing reflects marginal utility and demand was a movement way from	<p>B. The labor theory of value</p> <p>C. Mercantilism</p> <p>D. None of these</p>
707	Union of A with A, that is A U A.	<p>A. Complement of A</p> <p>B. A itself</p> <p>C. Can not be determined</p> <p>D. None of these</p>
708	Academic community is otherwise called.	<p>A. General public</p> <p>B. Target audience</p> <p>C. Participant audience</p> <p>D. Scientific community</p>
709	The NAFTA is a	<p>A. Monetary union</p> <p>B. Free trade area</p> <p>C. Common market</p> <p>D. Customs union</p>
710	If matrix A is matrix of order $n \times m$ and B is another matrix of order $m \times n$, then BA will be the matrix of order.	<p>A. $n \times m$</p> <p>B. $m \times n$</p> <p>C. $n \times n$</p> <p>D. $m \times m$</p>
711	A competitive firm produces a level of output at which.	<p>A. Price is greater than marginal cost</p> <p>B. Price equals marginal cost</p> <p>C. Price is less than marginal cost</p> <p>D. None of the above</p>
712	A competitive equilibrium is described by	<p>A. A price only</p> <p>B. A quantity only</p> <p>C. The excess supply minus the excess demand.</p> <p>D. A price and a quantity</p>
713	A set containing only one element is termed as	<p>A. Unit set</p> <p>B. Singleton set</p> <p>C. Both a and b</p> <p>D. None of these</p>
714	Which of the following changes shifts the SRAS curve up.	<p>A. An increase in the labor force</p> <p>B. A decrease in government purchases</p> <p>C. An increase in firms costs</p> <p>D. An increase in the money supply</p>
715	Real business cycle theorists argue that _____ can explain short and long term fluctuations in output.	<p>A. Imperfect labour markets</p> <p>B. Rational expectations</p> <p>C. Intertemporal decisions of households firms and government.</p> <p>D. Sun spot cycles</p>
716	You know that all taxes are distortionary under what conditions will this knowledge lead you to oppose the imposition of every single tax in the economy.	<p>A. If you live in a 1st best world.</p> <p>B. If you live in a 2nd best world</p> <p>C. If the tax rates on some of the items are prohibitively high</p> <p>D. Either of the above</p>
717	A competitive equilibrium is Pareto efficient because.	<p>A. Producers are price takers</p> <p>B. Consumers and producer's face the same prices</p> <p>C. Marginal costs and benefits are equal</p> <p>D. All of the above</p>
718	The locus of equilibrium of consumers due to changes in price of a commodity is known as.	<p>A. Price consumption curve</p> <p>B. Income consumption curve</p> <p>C. Producing possibility curve</p> <p>D. None of these</p>
719	A monetary expansion is characterized by	<p>A. Rising output and interest rates</p> <p>B. Rising output and falling interest rates.</p> <p>C. Constant output and falling interest rates</p> <p>D. Falling output and interest rates</p>
720	According to the wealth effect, an increase in the price level _____ real wealth and _____ consumption expenditure.	<p>A. Increase, Increases.</p> <p>B. Increases ; decreases</p> <p>C. decreases ; increases</p> <p>D. decreases ; decreases</p>
721	A square matrix A of order 'n' is called a diagonal matrix if its non diagonal elements are.	<p>A. zero</p> <p>B. Non zero</p> <p>C. One</p> <p>D. None of the above</p>

A. Mean a loss of foreign exchange
B. Bring foreign exchange into the country

722	Debit entries on the balance of payments are the entries that would.	country C. Indicate a surplus exists D. Exist at the bottom line a after all accounts are totaled.
723	Reasoning from general to particular is called.	A. Induction B. deduction C. Observation D. Expreience
724	Unfair competition does not include	A. Price cutting B. predatory pricing C. Cartels D. Price fixing
725	Ordinal measurement approach was not presented by	A. Allen B. Hicks C. Edge worth D. Robbins
726	The short run aggregate supply curve the absence of misperceptions.	A. Is vertical B. Slopes upward C. Is horizontal D. Slopes downward
727	An increase in demand for a product should.	A. Increase equilibrium price and quantity. B. Decrease equilibrium price and quantity. C. Increase equilibrium price and decrease quantity. D. Decrease equilibrium price and increase quantity.
728	The nominal interest rate minus the inflation rate is the	A. Depreciation rate B. Discount rate C. Forward rate D. Real interest rate
729	The near term effect of an unexpected sale of bonds by the central bank is.	A. An increase in interest rates, a risen investment and a rise in GDP B. An increase in interest rates a drop in investment and a drop in GDP C. A decrease in interest rtes a rise in investment and a rise in GDP D. A decrease in interesr rates a drop in investment and a drop in GDP
730	The natural rate of unemployed is generally thought of as the.	A. Ratio of the frictional unemployment rate to the cyclical unemployment rate B. sum of structural unemployment and cyclical unemployment C. sum of frictional unemployment and cyclical unemployment D. sum of frictional unemployment and structural unemployment.
731	The economist who spend twenty years cautiously trying out his ideas on his students before finally presenting them to the world near the close of the 19th contrary was.	A. William Stanley Javon's B. Henry George C. Leon walras D. Allied Marshall
732	According to the life cycle hypothesis consumption is related to.	A. Current income B. Past peak income C. Expected lifetime income D. Price expectations over one's life time
733	Economic growth can be measured by	A. The CPI B. The CBI C. GDP D. MPC
734	For given government spending and taxation the government budget deficit will grow in _____ and decline in _____	A. booms, booms B. recession, recession C. booms, recessions D. recessions, booms
735	A group of modern economists who believe that price and wage rigidities do not provide the only rationale for macroeconomic policy activism are called.	A. New Keynesians B. Keynesians C. Monetarists D. The Classical shool
736	The notation of Relationship is important	A. Dominations ecology B. Deep ecology C. Sympathy ecology D. None of these A. An increase in GDP

737	A decrease in the marginal propensity to import will lead to.	A. An increase in GNP B. Lower the multiplier C. An increase in imports D. A decrease in imports
738	An increase in investment is most likely to be caused by.	A. Lower interest rates B. Lower national income C. A decreasing the marginal propensity to consume D. An increase in with drywalls.
739	A tax 15 percent per imported item would be an example of a	A. Ad valorem tariff B. specific tariff C. Effective tariff D. Compound tariff
740	In the Keynesian corss diagram, and cline in autonomous consumer expenditure causes the aggregate demand function to shift down the equilibrium level of aggregate output to _____ and the IS curve to shift to the.	A. up ; left B. up ; right C. down ; left D. down ; right
741	A tariff that prohibits imports has only	A. a revenue effect and redistribution effect B. Revenue effect and protection effect C. Consumption effect and protection effect D. Redistribution effect and consumption effect
742	A profit maximizing firm will employ labour up to the point where.	A. Marginal revenue = Marginal product B. Marginal cost = Marginal product C. Marginal revenue product = Average cost of labour D. Marginal revenue product = Marginal cost of labour
743	An increase in the money supply shifts the LM curve to the right causing the interest rate to _____ and output to.	A. rise ; rise B. rise ; fall C. fall ; rise D. fall ; fall
744	When plotted with the aggregate price level on the vertical axis and output on the horizontal axis, which of the following curves slopes downward.	A. SRAS B. AD C. LRAS D. None of the above
745	The objects constituting a set are called	A. Estimates B. Elements C. Set object D. Noe of these
746	Pakistan's public debt a	A. LarGer than GNP B. Approximately equal to GNP C. Small than GNP D. Smaller than our exports
747	The multiplier is the reciprocal of A	A. Marginal propensity to consume B. Both MPF and MPS C. Marginal propensity to save D. None of these
748	In perfect competition there is.	A. Many buyers B. Many sellers C. Homogeneous product D. All of these
749	In Balance of payments accounting tourism and travel are classified in the	A. Merchandise trade account B. Services account C. Unilateral transfers account D. Capital account
750	'Equal chance of being included in the sample", about what does Dr. Yates and Harper defined like this.	A. Stratified sampling B. Probability sampling C. Proportional sampling D. None of these
751	The very thing which permitted people to settle permanently in one location with the assurance of food is.	A. Tools B. Fishing C. Agriculture D. None of these
752	A subsidy paid to producers.	A. Shifts the supply curve B. Shifts the demand curve C. Leads to a contractional supply D. Leads to an extension of supply
		A. No market exists to determine the equilibrium price

753	Consumers and firms are known as price takers only if	<p>equilibrium price</p> <p>B. they can set the market price</p> <p>C. They cannot effect the market price</p> <p>D. Excess demand exists</p>
754	The profit per scale is a measure of.	<p>A. Profit</p> <p>B. Profitability</p> <p>C. Feasibility</p> <p>D. Realism</p>
755	Economists use the term utility to mean	<p>A. The value of a product before it has been advertised</p> <p>B. The satisfaction a consumer obtains from a good or service</p> <p>C. any characteristic of a good or service which cannot be measured</p> <p>D. The contribution a good or service makes to social welfare</p>
756	According to the cost based definition of dumping occurs when a firm sells a product abroad at a price that is less than	<p>A. Average total cost</p> <p>B. Average variable cost</p> <p>C. Average fixed cost</p> <p>D. Marginal cost</p>
757	Economic development in UDCs is not possible without.	<p>A. Foreign aid</p> <p>B. Capital formation</p> <p>C. Natural resources</p> <p>D. Domestic saving</p>
758	The price mechanism does not act as a	<p>A. Signal</p> <p>B. Incentive</p> <p>C. Rationing device</p> <p>D. Indicator of income</p>
759	Suppose that the domestic government allows a specific number of goods to be imported each year but it does not specify from where the product is shipped or who is permitted to import such a trade barrier is known as	<p>A. an import tariff</p> <p>B. A tariff rate quota</p> <p>C. A selective quota</p> <p>D. A global quota</p>
760	In the absence of international capital controls, central banks set _____ to provide the correct incentive for speculators	<p>A. Money supply targets</p> <p>B. Income policy</p> <p>C. Interest rates</p> <p>D. Inflation targets</p>
761	To anticipate what the economy is going to do next the government will look at.	<p>A. Lagging indicators</p> <p>B. Flashing indicators</p> <p>C. Coincidental indicators</p> <p>D. Leading indicators</p>
762	What is the reason for the necessity of statistics in the field of social sciences.	<p>A. Simplification and quantitative approach</p> <p>B. Knowledge acquisition and description</p> <p>C. Easiness and analytical</p> <p>D. all of the above</p>
763	A polynomial equation with degree two is called.	<p>A. Linear equation</p> <p>B. Quadratic equation</p> <p>C. Parabola equation</p> <p>D. All of the above</p>
764	If investors' expectations concerning the future are positive and thus increase investment at every interest rate then.	<p>A. IS curve would shift up</p> <p>B. IS curve would shift down</p> <p>C. LM curve would shift down</p> <p>D. IS and LM curves will not shift</p>
765	Import substitution is an example of	<p>A. The principle of comparative advantage</p> <p>B. The principle of absolute advantage</p> <p>C. An outward looking growth strategy</p> <p>D. An inward looking growth strategy</p>
766	If two sets contain the same distinct elements, then they are called.	<p>A. Equal sets</p> <p>B. Unequal sets</p> <p>C. Equivalent sets</p> <p>D. All of the above</p>
767	Which of the following will cause a monetary induced change versus a fiscal induced change in equilibrium income as determined by IS - LM analysis.	<p>A. A shift in the consumption function</p> <p>B. A shift in government expenditures</p> <p>C. A change in liquidity preference</p> <p>D. A change in government expenditures</p>
768	i- statistical laws are not exact ii- statistics reveals the entire story	<p>A. Both the statements are correct</p> <p>B. Only the first statement is correct</p> <p>C. Only the second statement is</p>

choose the correct from the following.

correct

D. Both the statements are wrong.

769	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>
770	A tariff can _____ raise a country's welfare.	<p>A. Sometimes</p> <p>B. Never</p> <p>C. Always</p> <p>D. None of these</p>
771	Suppose your company is in equilibrium with its capital stock at the desired level A permanent decline in the expected real interest rate now has what effect on your desired capital stock	<p>A. Raises it because the future marginal productivity of capital is higher</p> <p>B. Lowers it because the future marginal productivity of capital is lower</p> <p>C. Raises it because the user cost of capital is now lower</p> <p>D. Lowers it because the user cost of capital is now higher</p>
772	Tariff levels in advanced countries tend to be ____ tariff levels in developing countries.	<p>A. Higher than</p> <p>B. Equal to</p> <p>C. Lower than</p> <p>D. There is no general pattern</p>
773	If every element of a set B is also an elements of A then	<p>A. A is a subset of B</p> <p>B. B is a subset of A</p> <p>C. A is not a subset of B</p> <p>D. B is not a subset of A</p>
774	An item designed as money that is intrinsically worthless could be.	<p>A. A currency note</p> <p>B. A silver coin</p> <p>C. A barter item</p> <p>D. Any tradeable commodity</p>
775	The statement that marginal cost = marginal revenue leads to profit maximization of loss minimization is true.	<p>A. All the time</p> <p>B. Only in the long run</p> <p>C. Only if "marginal cost is rising at the point of equality.</p> <p>D. Only if average total cost is falling at the point of equality</p>
776	Using the Keynesian model , the effect of a decrease in the effective tax rate on capital would be to cause _____ in the real interest rate and ____ in output in the long run.	<p>A. An increase ; no change</p> <p>B. A decrease ; no change</p> <p>C. An increase ; an increase</p> <p>D. No change ; a decrease</p>
777	If the coefficient of price elasticity is less than one	<p>A. It is normal good</p> <p>B. It is inferior good</p> <p>C. It is luxury good</p> <p>D. All of these</p>
778	A activities which do not promote human welfare cannot be encouraged.	<p>A. Western estate</p> <p>B. Police state</p> <p>C. Islamic estate</p> <p>D. None Islamic estate</p>
779	The multiplier which specifically refers to an equal increase in government spending and taxes, giving rise to that same equal increase in national income is called.	<p>A. the Keynesian multiplier</p> <p>B. The balanced budget multiplier</p> <p>C. the deficit multiplier</p> <p>D. None of the above</p>
780	A market can accurately be described as	<p>A. A place to buy things</p> <p>B. a place to sell things</p> <p>C. The process by which prices adjust to reconcile the allocation of resources</p> <p>D. a place where buyers and sellers meet.</p>
781	Social science research is a systematic method of exploring, analyzing and extend, corrector or verify knowledge of human behavior and.	<p>A. Aqua life</p> <p>B. Natural life</p> <p>C. Social life</p> <p>D. Environment</p>
782	If an increase in investment leads to a bigger increase in national income this is called the.	<p>A. Accelerator</p> <p>B. Aggregate demand</p> <p>C. Monetarism</p> <p>D. Multiplier</p>
783	ECO came into force in.	<p>A. January 1985</p> <p>B. January 1966</p> <p>C. January 1948</p> <p>D. January 1949</p>

784	Expansionary monetary policy	<p>A. Tends to lead to an appreciation of nation's currency</p> <p>B. Usually has no effect on a currency's exchange value</p> <p>C. Tends to lead to a depreciation of the currencies of other nations</p> <p>D. Tends to lead to a depreciation of a nation's currency.</p>
785	All of the following are parts of the business cycle except.	<p>A. Boom</p> <p>B. slump</p> <p>C. Recovery</p> <p>D. Acceleration</p>
786	An ethics that treats only humans as morally considerable is called.	<p>A. Holism</p> <p>B. Eco centrism</p> <p>C. Anthropocentrism</p> <p>D. None of these</p>
787	You move some of your savings account balance into your checking account.	<p>A. M2 falls and M1 rises</p> <p>B. M1 falls and M2 rises</p> <p>C. M1 and M2 are unchanged</p> <p>D. M1 rises and M2 remains unchanged</p>
788	Which skills are most likely to be paid for by the employer.	<p>A. General skills</p> <p>B. Specific skills</p> <p>C. Educational skills</p> <p>D. None of these</p>
789	A demand switching policy could be.	<p>A. Higher interest rates</p> <p>B. Higher income tax</p> <p>C. Tariffs</p> <p>D. Reduced government spending</p>
790	Which of the following is not a category of consumption spending in the national income accounts.	<p>A. Consumer durables</p> <p>B. Non durable goods</p> <p>C. Services</p> <p>D. Housing Purchases</p>
791	Okun's Law states that for each percentage point by which the unemployment rate is above the natural rate real GNP is 3% below potential GNP, if real GNP is Rs. 3,800 billion with the actual level of unemployment at 6.05 and the natural rate of unemployment at 4.5% then according to Okun's law the GNP gap is.	<p>A. 171 billion</p> <p>B. 684 billion</p> <p>C. 114 billion</p> <p>D. 228 billion</p>
792	An increase in aggregate demand if aggregate supply is totally inelastic will.	<p>A. Increase price but not output</p> <p>B. Increase output but not price</p> <p>C. Increase output and price</p> <p>D. Decrease output and price</p>
793	In a free market the combination of products produced will be determined by.	<p>A. Market forces of supply and demand</p> <p>B. The government</p> <p>C. The law</p> <p>D. The public sector</p>
794	International difference in opportunity costs lead to countries acquiring.	<p>A. Comparative advantage</p> <p>B. High exchange rates</p> <p>C. Trade exchange rates</p> <p>D. Trade barriers</p>
795	The multiplier tells us how much _____ changes after a shift in.	<p>A. Consumption, income</p> <p>B. Investment, output</p> <p>C. Savings, investment</p> <p>D. output, aggregate demand</p>
796	An indifference curve shows various combinations to goods Which gives the consumer.	<p>A. Equal level of utility</p> <p>B. Low level of utility</p> <p>C. High level of utility</p> <p>D. None of these</p>
797	Capital goods are	<p>A. A type of intermediate good</p> <p>B. Final goods, because they are not used up during a given year</p> <p>C. Produced in the same year as the related final good whereas intermediate goods are produced in different years.</p> <p>D. Produced in one year whereas final goods are produced over a period of more than one year</p>
798	Why is the law of diminishing marginal returns true.	<p>A. specialization and division of labor</p> <p>B. Spreading the average fixed cost</p> <p>C. Limited capital</p> <p>D. All factors being variable in the long run</p>

799	The data indicates that country A in billions of rupees is experiencing a	A. A deficit of Rs.60 B. A surplus of Rs. 300 C. Deficit of Rs.900 D. A deficit of Rs. 500
800	Arne Naess related to.	A. Political Philosophy B. Aesthetics C. Eco Philosophy D. None of these
801	First Islamic banking branch of NBP started its operations in Karachi on December 15	A. 2004 B. 2005 C. 2006 D. 2007
802	In the short run, the supply of farm commodities is.	A. Inelastic B. Less elastic C. More elastic D. Undetermined
803	If a tax of Rs. 6 per units is imposed upon the suppliers, then.	A. Tax revenue will equal Rs. 108 B. Price increases by Rs. 4 C. Quantity decreases by 4 units D. Producers pay Rs. 36
804	If every elements of a row or column of a square matrix A is zero, then the value of the determinant .	A. Equal B. Zero C. One D. Negative related
805	Money and income are.	A. Mirror image of each other B. Two quite different concepts C. Both measured as a per annum flow D. Two ways of looking at the same thing.
806	"Economics is what economists do " It has been supported by.	A. Richard Jones B. Comte C. Gunnar Myrdal D. All of the above
807	A significant increase in the government budget deficit is likely to.	A. Reduce injections into the economy B. Reduce national income C. Move the economy away from full employment D. Boost aggregate demand
808	MRS _{xy} being 6 means	A. Consumer is willing to give up 6 units of x for one of y B. Preference for y is 6 times that of x C. Both of the above D. None of these
809	If some body is prepared to work at the going wage rate but cannot find work than they are victims of.	A. Voluntary unemployment B. Classical unemployment C. Frictional unemployment. D. All of the above
810	According to the efficiency wage model during a recession firms will not reduce real wages because.	A. Unions would go on strike reducing profitability B. This would reduce worker effort and productivity. C. The equilibrium real wage has increased D. Legally, they can't
811	The trough of a business cycle occurs when _____ hits its lowest point.	A. Inflation B. The money supply C. Aggregate economic activity D. The unemployment rate
812	Because a monopoly hires workers up to the point where their marginal revenue product equals the wage rate the monopoly will.	A. Pay less than the going wage rate B. Pay a wage equal to the value of the marginal product of labor C. Pay less than the value of the marginal product of labor D. Pay workers what they are worth to society
813	When a nation's money supply is Rs.1200 billion and the nominal Gross National product is Rs.4800 billion the velocity of money is.	A. 0.25 B. 4 C. 0.4 D. Rs.4 billion
		A. Do not have to worry about market demand

814	In contract to perfectly competitive markets monopolists	B. Sell only if demand is inelastic C. Can never incur an economic loss D. Can earn an economic profit indefinitely
815	If the home country government grants a subsidy on a domestically produced good domestic producers tend to.	A. Capture the entire subsidy in the form of higher profits B. Increases their level of production C. Reduce wages paid to domestic workers D. Consider the subsidy as an increase in production cost
816	An increase in the quantity of money supplied shifts the money supply curve to the _____ and the LM curve to the _____	A. right ; left B. right ; right C. left ; left D. left ; right
817	when the period of Kharif crop starts and when ends.	A. April June, Oct -Sept B. April -July , OCT -Nov C. April - May, Oct -Dec D. Jan-May, Oct -Sept
818	Consider the five panels of the figure on the previous page in which panel would fiscal policy be the strongest.	A. Panel b B. Panel c C. Panel a D. Panel d
819	There are _____ major instrument of monetary policy.	A. Three B. Four C. Five D. None
820	An increase in autonomous consumer expenditure causes the equilibrium level of aggregate output to _____ at any given interest rate and shifts the _____ curve to the _____	A. rise ; LM ;right B. rise ; IS ; right C. fall ; LM, Left D. rise ; IS ; Left
821	In order to maximize profits a monopoly company will produce that quantity at which the _____	A. A marginal revenue equals average total cost B. Price equals marginal revenue C. Marginal revenue equals marginal cost D. Total revenue equals total cost
822	The role of _____ is to direct one nation's savings into investments of another nation	A. Merchandise trade flows B. Service flows C. Current account flows D. Capital flows
823	The multiplier accelerator model assumes _____ depends on.	A. Consumption, expected future profits. B. Investment, interest rates. C. Investment expected future profits. D. Stock building, interest rates.
824	History is a starting point of.	A. Experimental design B. Quantitative research C. Scientific method D. Narrative method
825	Compared to the case of perfect competition, a monopolist is more likely to _____	A. Charge a higher price B. Produce a lower quantity of the product C. Make a greater amount of economic profit D. All of the above
826	When Daimler Benz maker of the Mercedes bought Chrysler the merger was _____	A. Horizontal B. Vertical C. Conglomerate D. None of these
827	Under the constitution of Pakistan National Finance Commission distribute the amount from Federal taxes to provinces on the basis of.	A. Equality B. Area C. population D. Natural Resources
828	In the long run in perfect competition _____	A. the price equals the total revenue B. Firms are allocatively inefficient C. Firms are productively efficient D. the price equals total cost
829	Second step in problem formulation is _____	A. Statement of the problem B. Understanding the nature of the problem C. Survey D. Discussions

830	A decline in the money supply shifts the LM curve to the left causing the interest rate to _____ and output to _____	A. rise ; rise B. rise ; fall C. fall ; rise D. fall ; fall
831	if a consumer is purchasing only two commodities X and Y , and the marginal utility per dollar of Y is greater than the marginal utility per dollar of X to maximize total utility with the limited income the consumer should buy.	A. .Less of both commodities B. .More of both commodities C. More of Y. D. None of the above
832	Floating exchange rates are ___ in the short run	A. Stable B. Volatile C. Predictable D. Depreciating
833	Friedman and Phelps suggested that there should not be a stable relationship between inflation and unemployment, but there should be a stable relationship between	A. Anticipated inflation and frictional unemployment B. Anticipated inflation and cyclical unemployment C. Unanticipated inflation and frictional unemployment. D. Unanticipated inflation and cyclical unemployment
834	Barriers to entry do not include	A. Patents B. Internal economies of scale C. Mobility of resources D. High investment costs
835	Economic planning by central government agencies is primarily associated with	A. command economies B. Market economies C. Laissez faire economies D. Market faire economies
836	The law of demand states that	A. As the quantity demanded rises, the price rises B. As the price rises the quantity demanded rises C. As the price rises, the quantity demanded falls D. As supply rises, the demand rises
837	An increase in consumption at any given level of income is likely to lead to.	A. a fall in savings B. An increase in exports C. A fall in taxation revenue D. A decrease in import spending
838	Which of the following strategies have developing countries not used to deal with the problem of unstable export markets.	A. Multilateral contracts B. Production and export controls C. Buffer stock arrangements D. Tariff rate quotas
839	Monetary policy can affect output.	A. this statement is always true B. This statement is 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
840	Who is regarded as the founder of the theory of sets.	A. Adam Smith B. Karl Friedrich Gauss C. George Cantor D. Euler
841	If the MPC is 0.5 the multiplier is	A. 2 B. 1/2 C. 0.2 D. 20
842	The quantity of money demanded increases with income. Thus if income increases the opportunity cost of holding money demand and re-establish equilibrium in the money market. This relation is captured by.	A. An upward-sloping LM curve B. A downward-sloping L curve C. A downward-sloping IS curve D. The circular flow of money in the economy.
843	Free trade is based on the principle of	A. Comparative advantage B. Comparative scale C. Economics of advantage D. Production possibility advantage
844	In the theory of the firm profit maximization is always synonymous with.	A. Profitability B. Economic profit making C. maximization of the sales revenue D. None of these
845	When the economy goes into a recession there's an increase in.	A. Frictional unemployment B. structural unemployment C. Cyclical unemployment D. Voluntary unemployment

846	The Eco is a word derived from	A. Philo B. Economy C. Oikos D. None of these
847	During period of inflation	A. Those people who have fixed incomes benefit B. Every one's real income falls C. those people who enter long term wage agreements benefit D. Those people whose real income rises faster than the general price level benefit
848	The arc elasticity formula is used to estimate elasticity when	A. The product is thought to be inelastic B. The product is thought to be elastic C. The demand function is known D. There are two observations of price and quantity
849	Quotas are government imposed limits on the _____ of goods trade between countries.	A. Prices B. Quantity C. Revenue D. Costs
850	To ensure that the fundamental identity of national income accounting holds changes in inventories are.	A. Ignored B. Counted as consumption C. Treated as part of saving D. Treated as part of expenditure
851	A negative definite Hessian fulfills the second order conditions for.	A. Maximum B. Minimum C. both maximum and minimum D. Mini max
852	During the last eight years the per capita income in Pakistan has been	A. Increasing substantially because of decline in population growth B. Decreasing C. increasing only marginally D. Constant
853	An optimal tariff is one which reduces imports to the level at which ____ equals	A. imports , exports B. The balance of trade, zero C. The demand for currency, the supply of currency D. Social marginal cost social marginal benefit
854	Despite an expansionary monetary policy an economy experiences a recession the recession could occur in spite of the right ward shift of the LM curve if	A. The IS curve shifts left ward B. The IS curve shifts right ward C. The money supply increase D. Taxes are cut
855	Which of the following statements about the relationship between marginal cost and average cost is correct.	A. When MC is falling AC is falling B. AC equals MC and MC'S lowest point C. When MC exceeds Ac, Ac must be rising D. When Ac exceed MC, MC must be rising
856	The expected real interest rate minus expected inflation rate.	A. Nominal interest rate minus inflation rate B. Nominal interest rate minus expected inflation rate. C. Expected nominal interest rate minus inflation rate D. Nominal interest rate plus expected inflation rate.
857	The equilibrium price clears the market it is the price at which.	A. Everything is sold B. Buyers spend all their money C. Excess demand is zero D. c and d
858	Find the revenue the government collects as a result of the tax	A. Rs.10 million B. Rs.40 million C. Rs.16 million D. Rs.30 million
859	In the Keynesian corss diagra, an increase in autonomous consumer expenditure causes the aggregate demand function to shift up the equilibrium level of aggregate output to _____ and the IS curve to shift to the _____	A. rise ; left B. rise ; right C. fall ; left D. fall ; right

A. Movement on the same demand

860	Extension and contraction of demand mean	<p>curve</p> <p>B. Movement to high demand curve</p> <p>C. Movement to lower demand curve</p> <p>D. Movement to another demand curve</p>
861	A study of how increase in the minimum wage rate will effect the national unemployment rate is an example of.	<p>A. Descriptive economics</p> <p>B. Normative economics</p> <p>C. Macro economics</p> <p>D. Micro economics</p>
862	The marginal rate of substitution of two goods can be obtain from	<p>A. Slope of budget line</p> <p>B. Slope of demand curve</p> <p>C. Slope of indifference curve</p> <p>D. None of these</p>
863	The resources in the economy do not include.	<p>A. Demand</p> <p>B. Land</p> <p>C. Labor</p> <p>D. Capital</p>
864	Which kind economics deals with issues such as unemployment inflation, and economic growth.	<p>A. Macro economics</p> <p>B. Micro economics</p> <p>C. Growth economics</p> <p>D. Political economics</p>
865	Under system fixed exchange rates which of the following policies promotes internal balance for a nation.	<p>A. Fiscal policy</p> <p>B. Monetary policy</p> <p>C. Both fiscal policy and monetary policy</p> <p>D. Neither fiscal policy nor monetary policy</p>
866	Riskless transactions to take advantage of profit opportunities due to a price differential or a yield differtial in excess of transaction costs are called.	<p>A. Differential actions</p> <p>B. Cash transactions</p> <p>C. Arbitrage</p> <p>D. Forward transactions</p>
867	If a good is normal then the demand curve for that good must be.	<p>A. Downward sloping</p> <p>B. Upward sloping</p> <p>C. Perfectly elastic</p> <p>D. Completely inelastic</p>
868	Environmentalist speak of wilderness as a.	<p>A. Animal hertage</p> <p>B. Moralists heritage</p> <p>C. Environmental heritage</p> <p>D. World heritage</p>
869	Say's law states that	<p>A. Supply creates its own demand</p> <p>B. Demand creates its own supply</p> <p>C. There is no such things as a free lunch</p> <p>D. Macro economics policy activism is essential to ensure full employment.</p>
870	Horizontal integration may lead to internal economics of scale. Which of the following is not a type of internal economy of scale.	<p>A. Purchasing</p> <p>B. Technical</p> <p>C. Financial</p> <p>D. Safety</p>
871	In a recession	<p>A. Unemployment is likely to be low</p> <p>B. prices are likely to increase</p> <p>C. Growth is negative</p> <p>D. Growth is slow</p>
872	the purpose of research is to discover answer to questions through application of.	<p>A. Scientific method</p> <p>B. scientific research</p> <p>C. Scientia procedure</p> <p>D. Social science research</p>
873	World environment Day is	<p>A. May 5</p> <p>B. June 5</p> <p>C. July 5</p> <p>D. February 5</p>
874	The economic growth model of Ricardo based on.	<p>A. Capital formation</p> <p>B. Diminishing retune</p> <p>C. Capital output ratio</p> <p>D. None of these</p>
875	Medieval scholastics, early Islamic thinkers, and Aristotie all agreed that.	<p>A. Payments of interest should be prohibited.</p> <p>B. Commerce was modeled on a circular flow</p> <p>C. Surpluses are enhanced throgh skilled management.</p> <p>D. All of the above</p>
		<p>A. The value of current year output is</p>

876	The value of real GDP in the current year equals.	<p>A. The value of current year output in prices of the base year</p> <p>B. The value of current year output in prices of the current year</p> <p>C. The value of base year output in prices of the base year</p> <p>D. The value of base year output in prices of the current year</p>
877	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>
878	In an industry with a falling long term supply curve, which of the following is true.	<p>A. Industry unit cost are constant</p> <p>B. Industry unit costs are decreasing</p> <p>C. Industry unit costs are increasing</p> <p>D. Industry unit costs cannot be determined</p>
879	One of the following is not a necessary characteristics of UDCs	<p>A. Low saving ratio</p> <p>B. Low capital formation</p> <p>C. Disguised unemployment</p> <p>D. Insufficient human resources.</p>
880	The quantity of Y demanded increases by 6% when income changes, and income elasticity of demand is -0.9 income	<p>A. Decreased by 5.4 %</p> <p>B. Decreases by 8%</p> <p>C. Increased by 15%</p> <p>D. Decreased by 6.7 %</p>
881	At point of satiety marginal utility is.	<p>A. Positive</p> <p>B. Negative</p> <p>C. Maximum</p> <p>D. Zero</p>
882	A model of game theory of oligopoly is known as the	<p>A. Prisoner's dilemma</p> <p>B. Monopoly cell</p> <p>C. Jailhouse sentence</p> <p>D. Jury box</p>
883	In perfect price discrimination	<p>A. Consumer surplus is maximized</p> <p>B. Produce surplus is zero</p> <p>C. Community surplus is maximized</p> <p>D. Consumer surplus is zero</p>
884	Import substitution is an example of.	<p>A. The principle of comparative advantage</p> <p>B. The principle of absolute advantage</p> <p>C. An outward looking growth strategy</p> <p>D. An inward looking growth strategy</p>
885	When a British pound equals Rs. 1.60 and the French Franc equals Rs. 0.40 the ability to earn infinite profit if it were not the case, implies that the exchange rate would be.	<p>A. 1 franc = 4 pounds</p> <p>B. 1 franc = 1 pound</p> <p>C. 5 franc = 1 pound</p> <p>D. None of the above</p>
886	"Deduction and induction are a part of system of reasoning stated by	<p>A. Caroline</p> <p>B. P.V. Young</p> <p>C. Dewey John</p> <p>D. Emory</p>
887	A determinant composed of all the first order partial derivatives of a system of equations, arranged in ordered sequence is called.	<p>A. Hessian determinant</p> <p>B. Jacobian determinant</p> <p>C. Discriminant</p> <p>D. First order determinant</p>
888	Which of the following solutions does the economist suggest to cost inflation in higher education.	<p>A. Cutting professor salaries</p> <p>B. Make students live at home</p> <p>C. Reduce college from four to three years</p> <p>D. B and C</p>
889	If the price of automobiles were to increase substantially the demand curve for gasoline would most likely	<p>A. Shift leftward</p> <p>B. Shift rightward</p> <p>C. Become flatter</p> <p>D. Become steeper</p>
890	The arrangement where goods imported from trading partners in the developing world are subject to lower tariff rates than goods from other countries is referred to as.	<p>A. Normal trade relation status.</p> <p>B. Most favored nation status</p> <p>C. Generalized system of Preferences.</p> <p>D. Offshore assembly provisions</p>
891	The Marxist concept of surplus value would not include income received in the form of	<p>A. wages</p> <p>B. rent</p> <p>C. Interest</p> <p>D. corporate profit</p>

		B. Corporate profit
892	An elasticity coefficient of -1 means that	<p>A. The demand curve is perfectly inelastic</p> <p>B. The demand curve is perfectly elastic</p> <p>C. The relative changes in price and quantity are equal</p> <p>D. Expenditures on the good would increase if price were reduced.</p>
893	Which trade theory contends that a country that initially develops and exports a new product may eventually become an importer of it and may no longer manufacture the product.	<p>A. Theory of factor endearments</p> <p>B. Theory of overlapping demands</p> <p>C. Economies of scale theory</p> <p>D. Product life cycle theory.</p>
894	A production possibilities curve indicates that when resources are being used efficiently	<p>A. More of one good can be produced only if less of another good is produced</p> <p>B. More of one good can be produced only if its price is lowered</p> <p>C. Producing more of one good result in greater production of other goods</p> <p>D. More of one good can be product without producing less of other goods</p>
895	A straight line diagram can be drawn knowing the _____ and _____	<p>A. Vertical axis and horizontal axis</p> <p>B. Intercept and slope</p> <p>C. Scale and slope</p> <p>D. Intercept and scale.</p>
896	Price controls are	<p>A. Necessary for consumer's welfares</p> <p>B. A must to check inflation</p> <p>C. Doomed to fall</p> <p>D. None of these</p>
897	If marginal cost is positive and falling.	<p>A. Total cost is falling</p> <p>B. Total cost is increasing at a falling rate</p> <p>C. Total cost is falling at a falling rate</p> <p>D. Total cost is increasing at an increasing rate.</p>
898	If a country has a linear production possibilities frontier then production is said to be subject to.	<p>A. Constant opportunity costs</p> <p>B. Decreasing opportunity costs</p> <p>C. First increasing and then decreasing opportunity costs</p> <p>D. Increasing opportunity costs</p>
899	An economic variable that moves in the opposite direction as aggregate economic activity up in is called.	<p>A. Pro cyclical</p> <p>B. Countercyclical</p> <p>C. A cyclical</p> <p>D. A leading variable</p>
900	Saving means	<p>A. Part of income for investment</p> <p>B. Income for boarding</p> <p>C. Non consumption of income in the current period</p> <p>D. None of the above</p>
901	The word economics derives from an early Greek term that means management of a.	<p>A. Business</p> <p>B. Government</p> <p>C. House hold</p> <p>D. Financial institution</p>
902	If the columns of a given matrix A and B are changed into rows and vice versa, the matrix thus obtained is called the.	<p>A. Symmetric matrix</p> <p>B. Transpose of a matrix</p> <p>C. Singular matrix</p> <p>D. Rank of matrix</p>
903	in The Liquidity trap region	<p>A. Fiscal policy is not effective</p> <p>B. Monetary policy is completely ineffective</p> <p>C. Monetary policy is completely effective</p> <p>D. Fiscal policy and monetary policy are equally effective</p>
904	John Stuart Mill was the founder of the	<p>A. Theory of reciprocal demand</p> <p>B. Theory of absolute advantage</p> <p>C. Theory of comparative advantage</p> <p>D. Theory of mercantilism</p>
905	In the short run firm in perfect competition will still produce provided.	<p>A. The price covers average variable cost</p> <p>B. The price covers variable cost</p> <p>C. The price covers average fixed cost</p> <p>D. The price covers fixed cost</p>

906	A product will be traded only if the pre trade price difference between the two countries	<p>A. Is less than the cost of transporting it between them</p> <p>B. is greater than the cost of transporting it between them</p> <p>C. Equals the cost of transporting it between them</p> <p>D. More information is needed to answer this question</p>
907	A proposition which can be put to test to determine validity	<p>A. Hypothesis</p> <p>B. Operational definition</p> <p>C. Data collection tool</p> <p>D. Research design</p>
908	The key issues of macroeconomics are	<p>A. Unemployment</p> <p>B. Inflation</p> <p>C. Economic growth</p> <p>D. All of the above</p>
909	Occupational immobility of labour occurs if.	<p>A. People lack information</p> <p>B. People do not want to work</p> <p>C. People do not have the right skills to work</p> <p>D. People cannot afford to move location</p>
910	An invention that speeds up the internet is an example of.	<p>A. An income effect</p> <p>B. An increase in labor</p> <p>C. A substitution effect</p> <p>D. A supply shock</p>
911	The economic logic behind granting central bank's independence from governmental the conduct of monetary policy is.	<p>A. To eliminate seignior age</p> <p>B. To allow open market operations</p> <p>C. To enhance the credibility of monetary policy.</p> <p>D. None of the above</p>
912	Research based on empirical evidences and.	<p>A. scientific experience</p> <p>B. Political experience</p> <p>C. Rational experience</p> <p>D. Observable experience</p>
913	In pure monopoly there is.	<p>A. A lot of firms</p> <p>B. Two firms</p> <p>C. A single firm</p> <p>D. Many firms</p>
914	Dynamic gains from trade could result from	<p>A. The stimulus of additional investment spending as markets open</p> <p>B. Economies of large scale production as markets open</p> <p>C. Additional competition made possible by the opening of markets</p> <p>D. All of the above</p>
915	An increase in the quantity of money supplied shifts the money supply curve to the _____ and the equilibrium interest rate	<p>A. right ; falls</p> <p>B. right ; rises</p> <p>C. left ; falls</p> <p>D. left ; rises</p>
916	The regression equation for consumption as a function of disposable income is $C = -60 + 0.90Y$. the standard error of Y is 30 and the standard error of estimate is 9.5 What is the 95% confidence interval for C when Y is Rs. 1000 billion.	<p>A. Rs.941 to Rs. 979</p> <p>B. Rs.900 to Rs. 1,020</p> <p>C. Rs.821 to Rs.859</p> <p>D. Rs.780 to Rs.900</p>
917	In a command economy	<p>A. The price mechanism acts as an incentive</p> <p>B. Resources are allocated by market forces</p> <p>C. Individual firms make decisions for themselves about what to produce and how to produce it.</p> <p>D. The public sector is large</p>
918	If government tax function is $T = 80 + .6 Y$ and the marginal propensity to consume is a constant 8 and increase in GNP of Rs.50 would cause consumption to.	<p>A. Increase by Rs.16</p> <p>B. Decrease by Rs.16</p> <p>C. Increase by Rs.40</p> <p>D. Decrease by Rs.30</p>
919	If a monopolist's demand curve is downward sloping and linear, then its total revenue curve must be.	<p>A. Identical to the demand curve</p> <p>B. A ray from the origin with a slope equal to price</p> <p>C. negative sloped with twice the slope of the demand curve</p> <p>D. A rising function of output that increases at a decreasing rate , reaches a maximum, then falls.</p>

920	If the international terms of trade settle at a level that is between each country's opportunity cost.	A. There is no basis for gainful trade for either country B. Both countries gain from trade C. Only one country gains from trade D. One country gains and the other country loses from trade
921	Which of the following is a function of money	A. Medium of exchange B. Store of value C. Unit of accounting D. All of the above
922	A decrease in money demand other things equal shifts the _____ curve to the	A. IS ; right B. IS ; Left C. LM ; Left D. LM ; Right
923	Head quarter of general Agreement on Tariffs and trade is located in.	A. Geneva B. Paris C. Vienna D. None of these
924	An increase in consumer income will increase demand for a _____ for decrease demand for a.	A. Substitute good interior good B. Normal good, interior good C. Interior good, normal good. D. Normal good, complementary good.
925	Gold -Collars workers fall in	A. Primary activity B. Tertiary production C. Quinary activity D. None of these
926	The rate at which central bank lends to commercial banks is known as	A. reserve rate B. Discount rate C. Open market operation D. None
927	In which of the following situations will an increase in the money supply have no effect upon equilibrium income.	A. LM is steeply sloped and IS is relatively flat B. LM is vertical and IS is steeply sloped C. LM is steeply sloped and IS is vertical D. LM is relatively flat as is IS
928	The effect of the most favored nation clause is to	A. Eliminate all tariffs between countries. B. Increase all tariff rates between countries C. Maintain a nondiscriminatory structure of tariffs D. Maintain a discriminatory structure of tariffs.
929	Which of the following is the government most likely to subsidize.	A. Negative externalities B. Positive externalities C. Monopolies D. Oligopolies
930	In the neighborhood of the long run equilibrium of a monopolistically competitive firm average cost will be.	A. Decreasing B. Constant C. Increasing D. At a minimum
931	There are _____ methods of measuring GDP	A. Three B. Four C. Five D. None
932	Disinflationary demand management policies.	A. Achieve a lower rate of inflation without causing a decrease in output. B. Reduce output but have no initial effect on the inflation rate C. Require an increase in government spending. D. Require a reduction in the growth rate of the nominal money supply.
933	Extensive subsistence agriculture is found in	A. Warm B. Moist C. Low latitude D. All of these
934	The best describes consumer surplus	A. The price consumers are willing to pay for a unit B. The cost of providing a unit. C. The profits made by a firm

934	The best described consumer surplus.	D. The difference the price a consumer pays for an item and the price he is willing to pay.
935	If there is a prices celling, which of the following is NOT likely to occur.	A. Rationing by first come first served B. Black markets C. Gray markets D. Sellers providing goods for free that were formerly not free
936	The extra utility from consuming one more unit of a good is called.	A. Marginal utility B. Additional utility C. surplus utility D. Bonus utility
937	The real value can be derived from a nominal value by	A. Adjusting changes over time B. Adjusting for data collection errors C. Adjusting for population changes D. Adjusting for changes in prices
938	Statistics is one of those science which are only indicative of a trend, therefore	A. It is probabilistic than deterministic B. It is deterministic than probabilistic C. a definite data collection method is unnecessary D. Data sources should be clear
939	A rise in the real exchange rate will ___ the competitiveness of the domestic economy.	A. Increase B. reduce C. do nothing do D. all of these
940	When internal economics of scale occur	A. Total costs fall B. Marginal costs increase C. Average costs fall D. Revenue falls
941	Mercantilism.	A. Is the philosophy of free international trade. B. Was a system of export promotion and barriers to imports practiced by government . C. Was praised by Adam Smith in the Wealth of Nations D. Both a and c
942	Except for taxes to offset ___ taxes are.	A. Imperfect competition , popular B. Extremality's, distortionary C. Inequality, a first best option D. Poor health, unnecessary
943	In the long run a profit maximizing monopoly produces an output volume that	A. Equates long run marginal cost with marginal revenue B. Equates long run average revenue C. Assures permanent positive profit D. Is correctly described by both a and c
944	Which of the following is NOT characteristics of underdeveloped nations.	A. Low per capita income B. Low growth rate of GNP C. General needs for substantive investment in the infrastructure D. Low population growth rates
945	The bowed shape of the production possibilities curve illustrates	A. The law of increasing marginal cost B. the production is inefficient C. the production is unattainable D. The demand is relatively inelastic
946	Which of the following statements is true about platykurtic curve as compared to normal curve.	A. Flatter B. Broader central position C. Lower tails D. All of the above
947	The length of a business cycle would be measured from	A. Peak t trough B. Trough to peak C. Peak to Peak D. The slump to the expansion
948	Why does it make sense in assume that people are rational, if you want to predict their behavior.	A. People are not guided by emotions when making decisions B. People wheo act in the way that best gets them what they want will tend to repeat that behavior, and will tend to learn from mistakes that they do make C. People never make mistakes, and tend to make the correct choices all of the time

		<p>of the time</p> <p>D. People always logically figure out what to do.</p>
949	Monetary expansion can still be effective in getting out of liquidity trap if it's combined with.	<p>A. Restrictions on bank loans</p> <p>B. Increased taxes</p> <p>C. Contractionary fiscal policy</p> <p>D. Expansionary fiscal policy</p>
950	Health of a country's economy is indicated by	<p>A. Number of doctors per 1,000 population</p> <p>B. Per capital income</p> <p>C. Literacy rate</p> <p>D. None of the above</p>
951	What is the significance of underestimating transactions money.	<p>A. Monetary policy will be over simulating the economy</p> <p>B. Monetary policy will be putting a drag on the economy</p> <p>C. there is a need for money that the central bank should be meeting.</p> <p>D. The economy has too much money and there were not enough spending.</p>
952	Banks can create money	<p>A. Only by illegally printing additional dollar bills</p> <p>B. By paying interest to their depositors</p> <p>C. By making loans that result in additional deposits</p> <p>D. By offering financial services, such as stock market brokerage</p>
953	The Keynesian model is a good guide to _____ behavior and the classical model describes behavior in.	<p>A. <sup>Long run, short run</sup></p> <p>B. Flexible, imperfect markets</p> <p>C. <div>Short term , long run</div></p> <p>D. Long run, imperfect market.</p>
954	An increase in aggregate demand will have most effect on prices if.	<p>A. Aggregate supply is price inelastic</p> <p>B. Aggregate supply is price elastic</p> <p>C. Aggregate supply has a unitary price elasticity</p> <p>D. Aggregate demand is price inelastic</p>
955	Increasing the government budget deficit.	<p>A. Increases output in the long run</p> <p>B. Decreases output in the short run</p> <p>C. Decreases output in the long run.</p> <p>D. Decreases the interest rate in the medium run.</p>
956	Desired national saving would increase unambiguously if there were	<p>A. An increase in current output and expected future output</p> <p>B. An increase in expected future output and government purchases</p> <p>C. An increase in expected future output and the expected real interest rate</p> <p>D. A fall in both government purchases and expected future output</p>
957	The organization that currently establishes rules of conduct for firms engaging in international trade is the.	<p>A. World Bank</p> <p>B. International Trade commission</p> <p>C. Department of Justice</p> <p>D. World Trade Organization</p>
958	in 1950s following sector was ignored	<p>A. Agriculture sector</p> <p>B. industrial sector</p> <p>C. import sector</p> <p>D. Services sector</p>
959	Knowledge of the money supply can lead to good predictions of nominal GDP only	<p>A. If the price level is stable</p> <p>B. If the money supply is stable</p> <p>C. Over very short periods of time</p> <p>D. If the determinants of velocity are known</p>
960	When due to change in price of commodity x demand of commodity y is changed it is called.	<p>A. Income elasticity</p> <p>B. Price elasticity</p> <p>C. More elastic</p> <p>D. Cross elasticity</p>
961	In the short run if price falls the firm will respond by	<p>A. Shutting down</p> <p>B. Equating average variable cost to marginal revenue</p> <p>C. Reducing output along its marginal cost curve as long as marginal</p>

		revenue exceed average variable cost D. None of the above
962	A price cross elasticity of 0.81 between X and Y shows that.	A. They are complementary goods B. They are competitive substitutes C. They are not substitutes D. a reduction in the price of one would cause an increase in the consumption of the other.
963	What is the per unit marginal cost of increasing production from 20 to 25 units.	A. Rs. 3,500 B. Rs.100 C. Rs.4,000 D. Rs.500
964	_____ are quotas that lead to a complete abolishment of trade.	A. Nontariff barriers B. Embargoes C. Voluntary export restraints D. Orderly marketing agreements
965	The marginal propensity to consume is equal to.	A. Total spending /total consumption B. total consumption/total income C. Change in consumption/change in income D. Change in consumption/change in savings
966	When all markets in the economy are simultaneously in equilibrium we say.	A. Markets are complete B. Markets are perfect C. There is disequilibrium D. There is general equilibrium.
967	The standard of living is often measured by	A. Real GDP per capita B. Real GDP C. Real GDP * Population D. Real GDP Plus depreciation
968	The opportunity cost of a student is.	A. Course fees and rent B. A loan from the bank C. What the student could have earned in the best job available by not studying. D. What the student will earn after graduation.
969	A fall in investment demand can result from	A. Higher interest rates B. Lower expected future profits C. More expensive capital goods D. All of the above
970	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
971	Who among the following was the leader of Monetarism	A. Keynes B. Milton friedman C. A.W.Philip D. Mankiv
972	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
973	When an economy first begins to grow more slowly.	A. GDP increase B. Inflation is likely to increase C. Stock levels are likely to increase D. Investment in equipment is likely to increase
974	In the classical model of Ricardo the direction of trade is determined by.	A. Absolute advantage B. Comparative advantage C. Physical advantage D. Which way the wind blows
975	Exchange rates that are determined by the unregulated forces of supply and demand are.	A. Floating exchange rates B. Pegged exchange rates C. Fixed exchange rate D. Managed exchange rates
976	A utility contour shows all the alternative combinations of two consumption goods that.	A. Can be produced with a given set of resources and technology B. Yield the same total of utility C. Can be purchased with a given budget at given prices D. Equate the marginal utilities of these goods and therefore make the

		these goods and therefore make the consumer indifferent between them.
977	Utility means.	<p>A. Power to satisfy a want</p> <p>B. Usefulness</p> <p>C. Willingness of a person</p> <p>D. Harmfulness</p>
978	Under a fixed exchange rate system an expansionary fiscal policy leads to a	<p>A. Trade account deficit and a capital account surplus.</p> <p>B. Trade account deficit and a capital account deficit</p> <p>C. Trade account surplus and a capital account surplus</p> <p>D. Trade account surplus and a capital accountt deficit</p>
979	The simplest form of rectangular hyperbola is	<p>A. $y = 1/x$</p> <p>B. $y = x^2$</p> <p>C. $y = x-2$</p> <p>D. $y = x^3$</p>
980	To avoid double counting when the GNP is estimated, economists	<p>A. Price all goods and services bought and sold in all markets</p> <p>B. Use the GNP deflator</p> <p>C. Price only intermediate goods</p> <p>D. Calculate value added at each stage of production.</p>
981	A monopoly there is	<p>A. No difference between firm and industry</p> <p>B. A few firms</p> <p>C. Lot of firms</p> <p>D. none of these</p>
982	One of the following has more elastic demand.	<p>A. A commodity with substitutes</p> <p>B. A commodity having more than one use</p> <p>C. A commodity commonly use</p> <p>D. None of these</p>
983	Employment tends to _____ whwn aggregate output.	<p>A. rise, falls</p> <p>B. rise ; rises</p> <p>C. falls; rises</p> <p>D. Not change ; falls</p>
984	In a "Lorenz curve diagram absolute equality in income distribution would appear as.	<p>A. A curved line well bowed out from the diagonal</p> <p>B. A curved line close to the diagonal</p> <p>C. A right angled line</p> <p>D. A diagonal line</p>
985	The firms long run output decision will be where.	<p>A. Long run average cost a lowest</p> <p>B. Marginal revenue equals output</p> <p>C. Marginal revenue equals long run marginal cost</p> <p>D. Marginal cost equals output</p>
986	any number raise to the power zero is always equal to.	<p>A. zero</p> <p>B. one</p> <p>C. two</p> <p>D. The number itself</p>
987	The dynamic aggregate demand schedule shifts rightward when there is an increase in.	<p>A. The expected rate of inflation ceteris paribus</p> <p>B. The growth rate of the nominal money supply ceteris paribus</p> <p>C. The income tax rate ceteris paribus</p> <p>D. the current inflation rate celeries paribus</p>
988	Silent spring is written by	<p>A. Spinoza</p> <p>B. Paul Taylor</p> <p>C. Arne Naes</p> <p>D. Rachel Carison</p>
989	The fact that the Production function relating output to capital becomes flatter as we move from left to right means that.	<p>A. The marginal product of labor is positive</p> <p>B. The marginal product of capital is positive</p> <p>C. There is diminishing marginal productivity of labor</p> <p>D. There is diminishing marginal productivity of capital</p>
990	Which among the following is not an essential of sampling.	<p>A. Representativeness</p> <p>B. Complete</p> <p>C. Same</p> <p>D. Dependent</p>

991	Most of the nationalized enterprises showed	A. Profit B. Losses C. Stability D. Abnormal profit
992	As long as the principle of diminishing marginal utility is operating any increased consumption of a good.	A. Lowers total utility B. Produces negative total utility C. Lowers marginal utility and therefore total utility D. Lowers marginal utility, but may raise total utility.
993	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
994	A movement along the supply curve may be caused by	A. A change in technology B. A change in the number of producers C. A shift in demand D. A change in costs
995	Data on the unemployment rate is collected from	A. A survey of households at home B. A surveys of individuals outside the home C. a survey of business firms at each firms headquarters D. A surveys of business firms at each store office of factory.
996	If one country, with floating exchange states, has higher inflation than its competitors, we would expect its exchange rate to.	A. Appreciate B. Depreciate C. Revalue D. be in short supply
997	The difference between a country's balances of payments and its balance of international indebtedness.	A. Is equal of official reserve transactions B. Occurs because of foreign exchange fluctuations C. Reflects statistical discrepancies D. Reflects the difference between flow and stock concepts
998	If the price elasticity of demand for a non giffen good is inelastic are decreased in its price result in.	A. Increase in demand B. Decrease in demand C. Increase in total revenue D. Decrease in total revenue
999	If two firms doing the same thing in the same industry join together this is known as a.	A. vertical merger B. Horizontal merger C. Conglomerate merger D. Hostile takeover
1000	Agricultural Development Finance Corporation was created in _____ under a central Act for the purpose of expanding financial facilities and promoting the development and modernization of agriculture in Pakistan.	A. 1950 B. 1951 C. 1952 D. 1953
1001	If the price of automobile were to decrease substantially the demand curve for automobiles would most likely.	A. shift rightward B. Shift left eard C. Remain unchanged D. Become steeper
1002	Keynesian economists think general equilibrium is not attained quickly because.	A. The real interest rate adjusts slowly B. The level of output adjusts slowly C. The real wage rate adjusts slowly D. The price level adjusts quickly
1003	The fall in the birth ratio will affect the process of economic growth according to	A. Schumpeter B. A.H.Nansen C. Karl Marix D. M.P. Todaro
1004	A system of systematically interrelated concepts definitions and propositions that are advanced to explained and product phenomena.	A. Facts B. Values C. Theory D. Generalization
1005	What explains Solow's surprise.	A. Diminishing returns to capital B. Insufficient assistance to developing countries C. Weak institutions D. low labor productivity

1006	Poor developing countries typically impose _____ tariffs than rich advanced nations on imports.	A. Lower B. Higher C. About the same height D. None of the above
1007	In the period of Zia ul Haq the nationalized enterprises went on.	A. Loss B. Profit C. Developing D. None of these
1008	The three main components of the aggregate demand aggregate supply model include.	A. AD, SRAS, LM B. SRAS, LRAS, IS C. AD, IS, LM D. AD, SRAS, LRAS
1009	About _____ of land is cultivated through irrigation water.	A. 75% B. 45% C. 60% D. 35%
1010	Historically countries at early stages of rapid economics development have tended to experience.	A. Trade deficits and an excess of investment over domestic saving. B. Trade surpluses and an excess of investment over domestic saving C. Trade deficits and an increase of domestic saving over investment. D. Trade surpluses and an excess of domestic saving over investment.
1011	Arne Naes is a	A. French philosopher B. American philosopher C. Norwegian Philosopher D. Pakistani Philosopher
1012	Firm in oligopoly are likely to.	A. Invest heavily in branding B. Act independently of other firms C. Try to differentiate its products D. Try to be a price maker
1013	If a Set C contain all the elements which are present in both the set A and B then set C is called.	A. Union of A and B B. Intersection of A and B C. Complement of A D. Complement of B
1014	International trade is based on the idea that	A. Exports should exceed imports B. Imports should exceed exports C. Resources are more mobile internationally than are goods D. Resources are less mobile internationally than are goods
1015	The notation that communism should be imposed on a nation's rulers so that they would neither be tempted by possessions nor diverted from the task of wise governance was proposed by.	A. Plato B. Aristotle C. Xenophon D. Protagoras
1016	Given the cost data indicated in the table above the average variable cost of producing 7 units of output is	A. Rs.37 B. Rs.29 C. Rs.31 D. Greater than Rs.37
1017	"Treating an individual as typical of a group" in the definition of.	A. Pure discrimination human capital B. Statistical discrimination C. Human capital D. Specific skills
1018	The relation ship between the exchange rate and the prices of tradable goods is known as the.	A. Purchasing power parity theory B. Asset markets theory C. Monetary theory D. Balance of payments theory
1019	According to the law of diminishing utility.	A. Utility is at a maximum with the first unit B. Increasing units of consumption increase the marginal utility C. Marginal product will fall as more units are consumed D. Total utility will rise at a falling rate as more units are consumed
1020	Second agricultural revolution came during	A. Primitive age B. Middle age C. Modern age D. None of these
1021	Net National product equals.	A. Gross national product minus indirect business taxes B. Gross national product minus depreciation C. National income minus indirect

		C. National income minus indirect business taxes D. National income plus depreciation
1022	Full- employment output is the level of output that firms in the economy supply when	A. Taxes are zero B. Wages and prices have fully adjusted C. The unemployment rate is zero D. All capital is fully utilized
1023	Which provide a shorthand summary of data.	A. Frequency table B. Simple table C. Cross table D. Two way table
1024	A dichotomous question can be answered in one of the	A. three responses B. Two responses C. Multiple responses D. free responses
1025	It is quantity that expresses a quantity in numbers to allow in numbers to allow more precise measurement.	A. Variable B. Concept C. Attribute D. Definition
1026	When marginal revenue equals marginal cost	A. Total revenue equal total cost B. There is the biggest positive difference between total revenue and total cost C. there is the biggest negative difference between total revenue and total cost. D. Profits are zero
1027	The method by which a sample is chosen	A. Unit B. design C. Random D. Census
1028	Fiscal policy output to change demand for output is.	A. Completely effective in region KL B. Partially effective in region JK C. Elasticity is infinite for region LT D. Completely ineffective in region LT
1029	industrial growth rate projected to__ this year against 3.1 percent last year	A. 2.4% B. 3.4% C. 4.4% D. 5.4%
1030	The ethics, importance is given to bio sphere and the large eco system.	A. Life centered animal B. Ecological holism C. Environmental D. animal
1031	The average total cost of a wedge increases from Rs. 0.79 to Rs. 0.83 Evidently	A. AFC exceeds AVC B. MC is between Rs. 0.79 and Rs. 0.83 C. AVC is Rs. 0.83 D. MC is greater than Rs. 0.83
1032	The demand for a product would be more inelastic.	A. The greater is the time under consideration B. The greater is the number of substitutes available to buyers C. The less expensive is the product in relation to incomes D. all of the above.
1033	If the Federal reserve conducts open market _____ the money supply _____ shifting the LM curve to the right.	A. Purchases ; decreases B. sales ; increases C. purchases ; increases D. sales ; decreases
1034	In substitution effect a consumer	A. Shifts away from the commodity which price has risen B. shifts in favor of commodity which price has risen C. shifts away from the commodity which price has fallen D. None of these
1035	Suppose nominal GNP is Rs.500 in year 1, the base year If the GNP deflator doubles by year 6 while real output has increased 40% nominal output in year 6 equals.	A. Rs.2000 B. Rs.1400 C. Rs.1000 D. Rs.750
1036	The value of a producer's output minus the value of the inputs if purchased from other	A. Surplus B. Profit

1036	producers is called the producer's	C. Gross product D. Value added
1037	If all the elements of a matrix of any order are zero, it is called.	A. Identity matrix B. Null matrix C. Zero matrix D. Both b and c
1038	A situation in which firms choose their best strategy given the strategies chosen by the other firms in the market is called.	A. a competitive equilibrium B. An open market solution C. The Nash equilibrium D. The cartel equilibrium
1039	If the marginal revenue is positive	A. Selling another unit will increase total revenue B. Selling another unit will increase profits C. Selling another unit will increase cost D. Selling another unit will increase average revenue
1040	The growth rate of economics tend to converge because. _____ is easier when capital per worker is low and because of _____	A. capital widening, technical innovation B. Capital widening, catch up in technology C. Capital deepening, technical innovation D. Capital deepening, catch up technology.
1041	Economics assumes that people consume goods and services to achieve.	A. Status B. Prestige C. Utility D. Self esteem
1042	Which of the following is true about skewed distribution.	A. It is symmetrical B. Mean, median and mode coincide C. Similar to normal distribution. D. The more mean moves away from mode larger skewness
1043	The difference between gross investment and net investment is.	A. Depreciation B. Acceleration C. Deceleration D. Capital investment
1044	The largest source of tax revenue for the federal government is.	A. The personal income tax B. The social security tax C. The property tax D. The sales tax
1045	If the price of an apple increased from 50 to 60 the quantity demanded will decrease because of.	A. The substitution effect only B. The income effect only C. A change in income D. The substitution and income effects.
1046	If a small country imposes a tariff on an imported good its terms of trade will	A. Improve B. Worsen C. Not change D. any of the above
1047	The sign of the simple correlation coefficient is determined by	A. The intercept of the least squares equation. B. The slope of the least squares equation C. The appropriate economic theory. D. The researcher
1048	Interview guide leaves as a suggestive reference or prompter during.	A. Interview B. Field note C. Diary D. Interview schedule
1049	Un employment Rate is a percentage relation with reference to.	A. Total population B. Civilian Labour force C. employed persons D. Unemployed persons
1050	Who says theory as a integrated body of definitions, assumptions	A. Amold Rose B. P. Young C. Kerlinger D. Karl Pearson
1051	The classical are of the view that utility can be.	A. Ranked B. Counted C. Expressed in numbers

		D. Not counted
1052	A natural monopoly has a declining _____ over a large range of output.	A. Long run marginal cost B. Short run marginal cost C. Long run average cost D. Long run marginal cost
1053	Islam is against	A. Miseries B. Luxurious spending C. a and b D. None of these
1054	BATA's marginal utility per dollars is .8 for both shorts and running shoes,. To attain her consumer equilibrium BATA should.	A. Buy an additional pair of shorts B. Buy an additional pair of both items C. Possibly not make any adjustment in her behavior D. Sell her shorts and keep her shoes
1055	If a long average cost rises, output rises from left to right this is an example of.	A. Increasing returns to scale B. Decreasing returns to scale. C. Constant returns to scale D. the minimum efficient scale
1056	In the home country government grants a subsidy of a domestically produced good domestic producers tend to.	A. Capture the entire subsidy in the form of higher profits B. Increase their level of production C. Reduce wages paid to domestic workers D. Consider the subsidy as an increase in production cost
1057	A cut in the income tax rate designed to encourage household consumption is an example of.	A. Expansionary demand side policy B. Contractionary demand side policy C. Expansionary supply side policy D. Contractionary supply side policy
1058	If the reserve deposit ratio is 0.25 and the ratio of currency in circulation to deposits is 0.3, the potential money multiplier will have a value of.	A. 2.36 B. 0.42 C. 1.20 D. 0.96
1059	If injections are greater than withdrawals.	A. National income will increase B. National income will decrease C. National income will stay in equilibrium D. Price will fall
1060	The prisoners Dilemma Game demonstrates that.	A. Players are better off to act independently B. Monopoly is better than competition C. People will always cheat D. Players are better off if they con operate
1061	The equation for the LM curve is.	A. $Y = 100 - 50i$ B. $Y = 50 + 50i$ C. $Y = 50 - 80i$ D. $Y = 80 + 50i$
1062	Which of the following is a possible government objective as opposed to a policy.	A. Lower interest rates B. Lower taxation rates C. Lower government spending D. Lower inflection
1063	Major drawback to research ears in Pakistan is	A. Lack of sufficient number of Universities B. Lack of sufficient research guides C. Lack of sufficient fund D. Lac of scientific training in research
1064	The largest source of tax revenue for the federal government is	A. The prerenal income tax B. The social security tax C. the property tax D. The sales tax
1065	As a plural noun, who defined statistics very adequately and realistically	A. Webster B. Bowley C. A.M. Tuttle D. Prof. H. secrist
1066	State Bank of Pakistan was established in	A. July 1st 1948 B. July 1st 1952 C. July 1st 1953 D. July 1st 1947

1067	Pakistan's fiscal year starts from	A. 1st September B. 1st January C. 1st April D. 1st July
1068	What did economist Adam Smith identify as the "invisible hand" that directs the decision making of firms and households in a market economy.	A. Government B. Product demand C. Self interest D. International trade
1069	In the efficiency wage model with the efficiency wage above the market clearing wage when employment is at its full employment level.	A. Labor supply equals labor demand B. There is an excess supply of labor C. there is an excess demand for labor D. There could be either an excess demand for or an excess supply of labor
1070	In a perfectly competitive market if firms are earning an economic profit the economic profit.	A. Attracts entry by more firms, which lowers the market price B. Can be earned both in the short run and long run C. Is less than the normal profit D. Leads to a decrease in market demand
1071	By death of any partner business will be dissolved in case of	A. Partnership B. Musharika C. Hire purchase D. Mudaraba
1072	During the early years of the Great depression there was a significant decrease in the money supply that causes the _____ to shift _____	A. LM ; rightward B. IS ; rightwards C. LM ; Leftward D. IS ; Leftward
1073	The economists who emphasized wage flexibility as a solution for unemployment were.	A. Monetarists B. New Keynesians C. Classical economists D. Keynesians
1074	In an open economy leakages to imports _____ the value of the multiplier.	A. Reduce B. Increase C. do not change D. None of these
1075	Given the IS-LM construction of the figure above an unexpected increase in the price level, in the absence of any policy adjustment will.	A. Increase both interest rates and GNP B. Reduce both interest rates and GNP C. Increase GNP but cause interest rates to fall D. Increase interest but cause GNP to fall.
1076	The mathematical theory of probability has helped to form the.	A. Statistical theory B. Law of inertia of large numbers C. Law of statistical Relativity D. Law of statistical Regularity
1077	Which of the following is an injection into the economy.	A. Investment B. Saving C. Taxation D. Import spending
1078	Which of the following NOT a source of economic growth.	A. Investment in new capitals B. Labor productivity C. Investment in human capital D. Technology advances
1079	A _____ is a regional trading block in which member countries eliminate intercanal trade barriers but maintain existing barriers against countries that are not members.	A. Free trade area B. Customs union C. Common market D. Monetary union
1080	A Rs.10 increase in autonomous investment spending shifts is.	A. Rightward by Rs. 10 B. Leftward by Rs. 10 C. Rightward by Ke (Rs.10) D. Leftward by Ke (Rs.10)
1081	In the long run, an increase in productivity would cause output to _____ and the aggregate price level to _____	A. fall ; rise B. fall ; fall C. rise ; fall D. rise ; rise
1082	According to Keynesians the primary source of business cycle fluctuation is.	A. Aggregate demand shocks B. Productivity shocks C. Oil price shocks D. Consumer confidence shocks

1083	Supply is likely to be more price elastic.	<p>A. In the short run rather than the long run</p> <p>B. If factors of production are relatively immobile between industries.</p> <p>C. If there are very few producers</p> <p>D. If it is easy to expand output</p>
1084	Investment depend mainly on.	<p>A. Past levels of income</p> <p>B. Future expected profits</p> <p>C. Present national income levels</p> <p>D. Historic data</p>
1085	During periods of rising inflation and rising interest rates we expect the demand for real cash to.	<p>A. rise</p> <p>B. fall</p> <p>C. not change</p> <p>D. fluctuate</p>
1086	Which of the following in a graph with interest rates and income on the vertical and horizontal axes, does not shift the balance of payments curve to the right.	<p>A. Capital flow restrictions</p> <p>B. Export quotas</p> <p>C. Export subsidies</p> <p>D. Import tariffs</p>
1087	Those who favor setting the target rate of inflation at about 3% believe.	<p>A. The cost of moderate inflation can be minimized by indexing the tax system and bonds</p> <p>B. that the cost of going to 0% is very low</p> <p>C. That moderate inflation increases money illusion</p> <p>D. Believe that moderate inflation aggravates the time inconsistency problem</p>
1088	Ad valorem tariffs are collected as.	<p>A. Fixed amounts of money per unit traded</p> <p>B. A percentage of the price of the product</p> <p>C. A percentage of the quantity of imports</p> <p>D. All of the above</p>
1089	In long run a reduction in labor supply would cause output to ___ and the aggregate price level to.	<p>A. fall ; rise</p> <p>B. fall ; fall</p> <p>C. rise ; fall</p> <p>D. rise ; rise</p>
1090	The exit of firms out of a competitive market causes the supply curve to.	<p>A. Shift leftward</p> <p>B. shift rights ward</p> <p>C. None of the above for the exit of firms supply curve</p> <p>D. shift either left or right depending on the number of firms leaving the market</p>
1091	What's the most common way for a central bank to reduce the money supply.	<p>A. Collect higher taxes</p> <p>B. Sell bonds to the public</p> <p>C. Buy bonds from the government</p> <p>D. Buy bonds from the public</p>
1092	As a result of privatization of industries private investor was	<p>A. Discouraged</p> <p>B. Neutral</p> <p>C. Encouraged</p> <p>D. None of these</p>
1093	A cut in the tax rate designed to reduce the business investment is an example of.	<p>A. Expansionary demand side policy</p> <p>B. Contractionary demand side policy</p> <p>C. Expansionary supply side policy</p> <p>D. Contractionary supply side policy</p>
1094	If sales are forecasted using an adaptive expectations model where the coefficient of adjustment .2, the sales forecast for 1986 is.	<p>A. Rs.260</p> <p>B. Rs.244.4</p> <p>C. Rs.3.6</p> <p>D. Rs.283.6</p>
1095	If the central Bank wished to Tighten money is would.	<p>A. Lower the discount rate</p> <p>B. Sell government securities</p> <p>C. Lower the legal reserve ratio</p> <p>D. Lower the tax rate</p>
1096	A change in the full employment quantity of labor_____ the short run aggregate supply curve and _____ the long run aggregate supply curve.	<p>A. shifts ; shifts</p> <p>B. shifts ; does not shift</p> <p>C. does not shift ; shift</p> <p>D. does not shift ; does not shift</p>
		<p>A. International commodity engravement's program</p>

1097	To help developing nations strengthen their international competitive rises many industrial nations have granted non nations under the .	B. Multilateral contract program C. Generalized system of preferences program D. Export led growth program
1098	Due to indivisibilities in demand and infrastructure economic development can be achieved.	A. Balance growth according to its advocates B. Unbalanced growth according to its advocates C. Big pus D. None of these
1099	Japan's low interest rates in the mid 80's were due to.	A. High rates of domestic savings. B. A decrease in Japan's exports C. Increases in the U.S. deficit D. High rates of domestic spending in Japan
1100	If a price floor of Rs.15 is imposed, the governments cost is.	A. Rs.150 B. Rs.300 C. Rs.750 D. Rs.450
1101	The central metaphor of deep ecology is.	A. Network B. Hierarchy C. Patriarchy D. Domination
1102	Through the world government tend o auction quota license to their highest bidder.	A. Always B. Often C. Seldom D. Never
1103	According the Keynes when the great depression started , the government should have.	A. Done nothing B. Decreased the money supply C. Had a large increase in government spending. D. Enacted high tariffs, such as the smoot Hawley tariff
1104	Foundation of law of demand is.	A. Law of diminishing marginal utility B. Law of substitution C. Law of increasing return to scale D. Law of diminishing marginal rate of substitution.
1105	As a result of the increase in government expenditures disposable income increases by.	A. Rs.10 billion B. Rs.9 billion C. Rs.20 billion D. Rs.5 billion
1106	The total multiplier for the economy will reflect.	A. MPC and MPT B. MPT and MPZ C. MPC and MPZ D. MPC, MPT and MPZ
1107	Plan for research is labeled as.	A. Case study B. Research design C. Intensive study D. Exploratory research
1108	The difference between bid rates and ask rates is called the	A. Profit B. Arbitrage C. Spread D. Forward transaction
1109	In the classical model of Ricardo the direction of trade is determined by	A. Absolute advantage B. Comparative advantage C. Physical advantage D. Which way the wind blows
1110	Social science Research	A. Explain Problem B. diagnosis problem C. Recommend problems D. Formulate probelms
1111	Quantitative characteristics includes.	A. Beauty B. Emotion C. Intelligence D. Data
1112	the_____ analysis considers the ability of domestic and foreign prices to adjust to devaluation in the short run.	A. Pass through B. Absorption C. Adjustment mechanism D. currency contract period
1113	Which of the following methods is used for internalizaing positive externalities	A. Positive taxes B. Government exchange of property rights

		C. Effluent fees D. Corrective subsidies
1114	International trade during the 19th century was characterized by.	A. Extensive barriers to trade B. Operation of the gold standard C. A small volume of international trade D. None of these
1115	Contextual analysis is a type of	A. Descriptive analysis B. Historical analysis C. Case study D. Content analysis
1116	Headquarter of IMF is located in.	A. Geneva B. Washington DC C. London D. New york
1117	The result of antidumping tariffs is to.	A. increase consumer surplus in the importing country B. Decrease producer surplus in the importing country C. Impose a price floor on foreign prices in the importing country D. Impose a price celling on foreign prices in the importing county
1118	The Central Bank controls money and credit with the exception of.	A. Controlling the money base through open market operations B. Controlling reserve requirements C. Setting the discount rate of interest D. controlling the stock market
1119	The most frequently occurring score in distribution.	A. Mean B. Mode C. Median D. Quartile
1120	Expansion in international trade is preferable over.	A. Foreign aid B. Project assistance C. Commodity assistance by foreign donors. D. None of the above
1121	Economic transition involves high inflation because _____ and _____	A. High monetary growth, high wages. B. High budget deficits, devaluation C. High monetary growth, devaluation D. Prices surge from an artificially low level to their equilibrium level the inflation tax is required as source of government revenue.
1122	The short term interest rates on bonds over the next 5 years is 6% , 7%, 9% ,10% and 8% according to the expectations Hypothesis, the interest rates on bonds with 5 years to maturity will be.	A. 6% B. 8% C. 10% D. 9%
1123	Moral Hazard means that the act of insuring _____ that the desired outcome will occur.	A. Reduces the likelihood B. Increase the likelihood C. Guarantees D. None of the above
1124	The valued of expenditure multiplier relates.	A. The change in autonomous spending to the change in income B. the change in consumption to change in income C. The change in come to the change is consumption D. The change in income to the change in autonomous spending.
1125	The aggregate demand curve	A. Is vertical B. Slopes upward C. Is horizontal D. Slopes downward
1126	What is the current literacy rate of Pakistan.	A. 48% B. 52% C. 58% D. 65%
1127	The most important source of wage differentiate are.	A. Reginal variation B. Unionization C. Relative danger D. Skills
		A. Marginal revenue equals average

1128	In order to maximize profits a monopoly company will produce that quantity at which the.	total cost B. Price equals marginal revenue C. Marginal revenue equals marginal cost D. total revenue equals total cost
1129	The rate of inflation in 1985 was	A. 3.67% B. 8.5% C. 9.77% D. 3.2%
1130	If the government lower taxes by \$10 billion, the Real GDP will rise by	A. More than \$10 billion B. Less than \$10 billion C. Exactly \$10 billion D. None of these
1131	A profit maximizing monopolist in two separate markets will	A. Charge different price according to elasticity B. Charged same price C. Charged very high price D. Charged very low price
1132	Price equal to.	A. Total revenue -quantity B. Total revenue/quantity sold C. total quantity sold * quantity sold D. Total revenue/total cost
1133	Which refers to a scale with a set of points which describes varying degrees of the dimensions of an attribute observed.	A. Rating scale B. Score card C. Check list D. Observation
1134	The long run aggregate supply curve.	A. Is vertical B. Slopes upward C. Is horizontal D. Slopes downward
1135	In order to practice price discrimination which of the following is needed.	A. Some degree of monopoly power B. An ability to separate the market C. An ability to prevent reselling D. All of the above
1136	Two independent variables are not independent of each other in a multiple regression problem The analyst most likely will be confronted with.	A. The problem of autocorrelation B. A type 1 error C. The problem of multicollinear rarity. D. a type II error
1137	The best measure of economic developments is.	A. GNP B. HDI C. PQLI D. None of these
1138	If labour productivity per week is 200 units and there are 5 employees what is the total output.	A. 40 units B. 195 units C. 1000 units D. 200 units
1139	Fractional unemployment arises when	A. Unskilled or low skilled workers find it difficult to obtain desirable long term jobs B. Labor must be reallocated from industries that are shrinking to areas that are growing. C. Workers must search for suitable jobs and firms must search for suitable workers. D. Output and employment are below full employment levels
1140	In the Keynesian cross diagram, a decline in autonomous consumer expenditure causes the aggregate demand function to shift _____ and the equilibrium level of aggregate output to.	A. up ; rise B. up ; fall C. down ; rise D. down ; fall
1141	The opportunity cost of holding currency decrease when	A. Income decreases B. The interest rate on bonds decreases C. The interest rate on money decrease wealth decrease D. Wealth decreases
1142	According to Marshall the basis of consumer surplus is.	A. Law of diminishing marginal utility. B. Law of equal marginal utility C. Law of proportions D. All of the above
	If goods are imported for less than a firm's marginal production cost and the marginal	A. An import subsidy B. A quota

1143	If goods are exported for less than society's marginal production cost and the marginal benefit to domestic consumers, it is likely that they benefit from.	B. A quota C. Comparative advantage D. An export subsidy
1144	If the Central Bank wanted to decrease the quantity of money held by the public it would.	A. Sell government securities B. Buy government securities C. Lower the legal reserve requirement D. Raise taxes
1145	Human capital can be described as.	A. The tools used by workers to enhance productivity B. a person's inherited abilities. C. The stock of expertise accumulated by a worker D. Education
1146	For perfect competition of work there must be	A. Many buyers and sellers B. A standard product C. Free entry and exit D. All of the above
1147	If the prices of both goods increase by the same percent the budget line will	A. Shift parallel to the left B. shift parallel to the right C. Pivot about the x axis D. Pivot about the Y axis
1148	If GNP of Pakistan rises it will encourage	A. Exports goods B. imports goods C. Both a and b D. None
1149	A tax cut __ disposable income ____ consumption expenditure and shifts the IS curve to the.	A. Increases ; increases ; right B. Increases ; decreases ; left C. decreases ; increases ; left D. decreases ; decreases ; right
1150	The hidden momentum of population growth is caused by	A. the demographic transition B. Population age structure C. the opportunity cost of woman's time D. Children contribution to income
1151	Head quarter of World Economic forum is situated in	A. Davos B. London C. Geneva D. New York
1152	Find the change in revenue to the industry due to the taxes.	A. Rs. 40 billion B. Rs. 34 million C. Rs.25 million D. Rs.36 Million.
1153	increase foreign competition tend to.	A. Intensify inflationary pressure at home B. Induce falling output per worker hour for domestic workers C. Place constraints on the wages of domestic workers D. Increase profits of domestic import competing industries.
1154	In monopolistic competition, firms desire to sell more output at equilibrium because.	A. Price is greater than average cost B. Price is greater than average variable cost C. Price is greater than marginal cost D. Price is equal to marginal revenue
1155	Goods which can be consumed directly are	A. Producer goods B. Consumer goods C. Free goods D. Economics goods
1156	If the rate of growth of a full employment labor force is 1.55 and 2.55 then the ceiling rate of growth of real GNP, according to Hick's theory of a constrained business cycle, is.	A. 1.5 % B. 2.55 C. 4.0% D. 1.7%
1157	If your income doubles and the prices of the goods you buy double, then your demand for these goods will likely	A. Increase B. Not change C. Decrease D. Shift
1158	The word narrative derived from Latin verb	A. Quantitative research B. Qualitative research C. Descriptive research D. Experimental
		A. Decrease consumption B. Increase aggregate demand

1159	An outward shift in the marginal efficacy of capital should.	<p>B. Increase aggregate demand</p> <p>C. Reduce aggregate supply</p> <p>D. Slow economic growth</p>
1160	For perfectly competitive firm	<p>A. Price equals marginal revenue</p> <p>B. Price is greater than marginal revenue</p> <p>C. Price equal total revenue</p> <p>D. Price equals total cost</p>
1161	What is the possible cause for a falling real GNP over a period of time.	<p>A. A general fall in the value of output though changes in quantities produced.</p> <p>B. A general increase in prices</p> <p>C. An increase in the value of output produced and a general increase in prices</p> <p>D. A, B and C</p>
1162	The origin of the idea of a trade off between inflation and unemployment was a 1958 article by	<p>A. A.W Philips</p> <p>B. Edmund Phelps</p> <p>C. Milton Friedman</p> <p>D. Robert Gordon</p>
1163	A firm's monopolistic position is strengthened by	<p>A. low elasticity of demand for its product</p> <p>B. High elasticity of demand for its product</p> <p>C. Constant elasticity of demand</p> <p>D. None of the above</p>
1164	Data that are verbal or other symbolic materials.	<p>A. Quantitative</p> <p>B. Qualitative</p> <p>C. Primary</p> <p>D. Secondary</p>
1165	During inflation.	<p>A. Lenders lose borrowers gain.</p> <p>B. Borrowers lose, lenders gain</p> <p>C. The real interest rate rises</p> <p>D. Borrowers and lenders both lose.</p>
1166	Which of the following organizations primarily provides long term loans to developing countries to help them develop their infrastructure such as schools hospitals and roads.	<p>A. World Bank</p> <p>B. International Monetary fund</p> <p>C. Council on foreign Relations</p> <p>D. Organization of petroleum exporting countries</p>
1167	The marginal revenue curve in monopoly	<p>A. Equals the demand curve</p> <p>B. Is a parallel with the demand curve</p> <p>C. Lies below and converges with the demand curve</p> <p>D. Lies below and diverges from the demand curve</p>
1168	To maximize sales revenue a firm should produce where	<p>A. Marginal cost is zero</p> <p>B. Marginal revenue is maximized</p> <p>C. Marginal revenue is zero</p> <p>D. Marginal revenue equals marginal cost</p>
1169	A monopoly may be self-perpetuating because profits may be used for	<p>A. research</p> <p>B. Cost saving</p> <p>C. Technical advance</p> <p>D. All of the above</p>
1170	The goal of a pure market economy is to best meet the desires of	<p>A. Consumers</p> <p>B. Companies</p> <p>C. Workers</p> <p>D. The government</p>
1171	An autonomous rise in _____ note causes by a change in the price level aggregate output of the interest shifts the _____ curve to the	<p>A. Net exports LM right</p> <p>B. Net exports LM left</p> <p>C. Money demand IS right</p> <p>D. Money demand LM left</p>
1172	The open type of questionnaire calls for a free response in the respondent's	<p>A. Own words</p> <p>B. Observation</p> <p>C. Facts</p> <p>D. Data</p>
1173	In cartels.	<p>A. Firms compete against each other</p> <p>B. Price wars are common</p> <p>C. Firms use price to win market share from competitors</p> <p>D. Firms collude</p>
1174	From a Keynesian perspective business investment will decline as a result of.	<p>A. A fall in the interest rate</p> <p>B. A decrease in business taxes</p> <p>C. A decline in business expectations</p>

		D. Acceleration of business depreciation
1175	In case of complimentary goods, if the price of one commodity falls there will be.	A. Rise in demand of other commodity B. Fall in demand of other commodity C. Fall in demand of both commodities D. No charge
1176	Which of the following is not involved with fiscal policy.	A. Income tax B. National insurance C. VAT D. Interest rates
1177	In developing countries the co existence of modern and traditional method of production in urban and rural sector is called.	A. Dualism B. Under employment C. Under estimation of resources D. None of these
1178	Livestock is	A. An independent sector B. Sub -sector of agriculture C. Should be a part of Agriculture D. Would become a part of Agriculture
1179	An increase in the marginal propensity to consume will	A. Increase the size of the multiplier B. Increase the marginal propensity to save C. Decrease national income D. Reduce injections into the economy
1180	The low point in the business cycle is referred to as the	A. Expansion B. Boom C. Trough D. Peak
1181	Which of the following is necessary for a natural monopoly.	A. Economies of scale B. A high proportion of the total cost is the cost of capital goods C. The market is very small D. All of the above
1182	Fiscal policy refers to the manipulation of government income and expenditure to.	A. control the volume and price of money B. Limit the rate of increases in incomes C. Effect the value of the dollar on world financial market. D. Affect the level of total expenditure output and employment
1183	The function of money do not include.	A. an exchange of purchasing power B. A unit of account C. A medium of exchange D. A store of value
1184	When one country provides most favored nation status for another if agrees to.	A. Change that nation's product a lower tariff than any other nations B. Charge that nation's products a tariff rate no higher than that on any other nation. C. Charge that nation's products a higher tariff than any other nation's D. Export to that nation any products that it wants to purchase
1185	Who defined research is a systematic development of logically related propositions.	A. Black and champion B. Comte C. Weber D. Morry
1186	Which of the following macroeconomic variables is procyclical and lags the business cycle.	A. Business fixed investment B. Employment C. Stock prices D. Nominal interest rates
1187	A supply schedule shows the relations between the quantity supplied of a commodity over a given time and.	A. Factor prices B. Technology C. Both a and b D. The price of the commodity
1188	A bond becomes a riskier asset the demand for money _____ and all else constant, the equilibrium interest rate	A. Rises ; rises B. rises ; falls C. falls ; rises D. falls ; falls
		A. Services sector

1189	in GDP 24% share comes from	<p>A. Services sector</p> <p>B. Import sector</p> <p>C. industrial sector</p> <p>D. Agriculture sector</p>
1190	When capital mobility is perfect, interest rate differentials will tend to be offset by	<p>A. Price differences.</p> <p>B. Balance of payments differences.</p> <p>C. Current account differences.</p> <p>D. Expected exchange rate changes</p>
1191	White -Collar work force is categorized as	<p>A. Secondary production</p> <p>B. Tertiary production</p> <p>C. Quarterly services.</p> <p>D. None of these</p>
1192	What happens to the money supply if the deficit is financed by selling bonds to the central bank.	<p>A. The money supply increases</p> <p>B. The money supply decreases</p> <p>C. The money supply is unaffected</p> <p>D. We cannot tell what will happen to the money supply</p>
1193	The ceiling in the 1972 land reforms was lower being 150 acres for irrigated and _____ acres for unirrigated.	<p>A. 200</p> <p>B. 300</p> <p>C. 400</p> <p>D. None of these</p>
1194	Arne Naes founded the school of.	<p>A. Eco ethics</p> <p>B. Deep ecology</p> <p>C. Eco philosophy</p> <p>D. Environmental ethics</p>
1195	The expression increase in quantity supplied is illustrated graphically as a.	<p>A. Leftward shift in the supply curve</p> <p>B. Rightward shift in the supply curve</p> <p>C. Movement up long the supply curve</p> <p>D. Movement down along the supply curve</p>
1196	When imports from a higher cost supplier with in customs union replace imports from a lower cost supplier outside the custom union, there exists.	<p>A. Trade creation</p> <p>B. Trade diversion</p> <p>C. Dynamic welfare effects</p> <p>D. Comprehensive welfare effects</p>
1197	Keynes and Say's macroeconomic theory of employment were diametrically opposed Say state that.	<p>A. Supply creates demand</p> <p>B. Demand creates supply</p> <p>C. Unemployment is a most likely state of affairs</p> <p>D. Full employment can only be achieved by government interference.</p>
1198	If two sets contains the same number of distinct elements but not the same elements are called.	<p>A. Pie diagram</p> <p>B. Venn diagrams</p> <p>C. Histogram</p> <p>D. Ogives</p>
1199	If any equation involving two variables, such as $y = -2x + 1$, the variable that appears on the right hand side of the equation is by convention called.	<p>A. Dependent variable</p> <p>B. independent variable</p> <p>C. Endogenous variable</p> <p>D. Explained variable</p>
1200	Gross National product equals	<p>A. Net National Product adjusted for inflation</p> <p>B. Gross domestic product adjusted for inflation</p> <p>C. Gross Domestic product plus net property income from abroad</p> <p>D. Net National product plus net property income from abroad</p>
1201	The purpose of making assumptions in economic model building is to.	<p>A. Force the model to yield the correct answer</p> <p>B. Minimize the amount of work an economist must do</p> <p>C. simplify the model while keeping important details.</p> <p>D. Express the relationship mathematically.</p>
1202	The increase in dependent variable that results when the independent variable increases by one unit in a simple lines. function is called.	<p>A. Y intercept of the curve</p> <p>B. Slope of the curve</p> <p>C. X intercept of the curve</p> <p>D. Marginal value</p>
1203	Leakages from the circular flow are _____ and _____	<p>A. Investment savings, government expenditure</p> <p>B. Saving , taxes net of subsidies, imports</p> <p>C. Consumption, investment , government expenditure</p>

		government expenditure. D. Consumption, taxes, imports
1204	Allocative efficiency is achieved under which of the following market structures.	A. Perfect competition B. Monopolistic competition C. Oligopoly D. Monopoly
1205	Industrial policies intended to foster comparative advantage for domestic industries could result in the implementation of.	A. Research and development subsidies B. Loan guarantees C. Low interest rate loans D. All of the above
1206	Which of the following is a characteristics of monopolistic competition.	A. One seller serving the entire market B. When each firm sells an identical product C. When firms do not compete on a product's quality price and marketing. D. When firms are free to enter and exit the market
1207	A set totality of elements from all possible sets is called.	A. Union set B. Intersection set C. Universal set D. Unit set
1208	Which of the following is an example of primary data.	A. Book B. Journal C. News paper D. group interview
1209	In marketing "USP " Stand for	A. Unique selling proposition B. Underlying sales pitch C. Unit sales point D. Under sales procedure
1210	International trade is based on the idea that.	A. Exports should exceed imports B. Imports a should exceed exports C. Resources are more mobile internationally than are goods D. Resources are less mobile internationally than are goods.
1211	What tow factors should you equate in deciding how many workers to employ.	A. The marginal product of labor and the marginal product of capital B. The marginal product of labor and the real wage rate C. The marginal product of labor and the real interest rate D. The marginal product of capital and the real wage rate
1212	If the diagram of a line shows that lower values on the vertical scale are associated with higher values on the horizontal scale this is an example of.	A. a nonlinear relationship B. A positive linear relationship C. A scatter diagram D. A negative linear relationship
1213	A variable whose value is determined witching an economic theory or model is.	A. Exogenous B. Independent C. Deterministic D. Endogenous
1214	When desired national saving equals desired national investment what market is in equilibrium.	A. The goods market B. The money market C. The foreign exchange market D. The stock market
1215	Which of the following changes shifts the AD curve up and to the right.	A. A rise in the nominal money supply B. An increase in income taxes C. An increase in the risk on nonmonetary assets D. A decreasing the future marginal productivity of capital.
1216	If the intercept of the consumption function is 75, and MPS is 0.10 the value of consumption expenditures at $Y_d = \text{Rs. } 5,000$ is	A. Rs.4,500 B. Rs. 575 C. Rs.500 D. $\text{Rs. } 4,575$
1217	The overall Budget Deficit is financed from	A. External borrowing B. Non bank borrowing domestically C. Bank borrowing plus the above two at a and b D. None of the above
1218	When the reserve requirement on checking deposits is 0.10 and the Federal Reserve	A. Is unchanged B. Increase by Rs.100,000

	purchases government securities values at Rs. 100,000, the M1 money supply.	C. Increases by Rs. 1,000,000 D. None of these
1219	A widely used indicator to differentiate developed countries from developing countries.	A. International trade per capita B. Real income per capita C. Unemployment per capita D. Calories per capita
1220	Economic growth rate of a country is determined by the	A. Capital formation rate B. Employment rate C. Saving rate D. Investment rate
1221	A current account surplus implies that	A. The country is a net lender to the rest of the world B. The country is running a net capital account surplus C. Foreign investment in domestic securities is at very low levels D. All of the above
1222	The Laffer curve depicts	A. A trade off between tax rates and government receipts B. Price levels and real income C. government deficits and unemployment D. Tax rates and inflation
1223	How much is contributed by agriculture sector to GDP of the country.	A. 18.5% B. 21.8% C. 26.5% D. 34.5%
1224	If the price elasticity is -0.3 this means.	A. Demand is upward sloping B. Demand is price elastic C. A price fall would increase revenue D. Demand is price inelastic
1225	The earliest statement of the principle of comparative advantage is associated with.	A. Adam Smith B. David Ricardo C. Eli Heckshcer D. Berti Ohlin
1226	When a market is contestable , incumbent firms must._____ to avoid the entry of new competitors.	A. Behave like competitive firms B. Agree to act together C. Differentiate their products D. Practice price discrimination
1227	In the long term a firm will produce provided the revenue covers.	A. Fixed costs B. Variable cost C. Total costs D. Revenue
1228	Developing economies usually	A. Have large industrialized sectors B. Are dependent on primary products C. Have high levels of wealth D. Earn more from exports than is spent on imports
1229	If GNP = 1,000 billion and the money supply is 330 billion , then the velocity of money is.	A. A value less than 1.4 B. 3.33 C. 1.48 D. 3.03
1230	The primary function of a bank is to.	A. Control the money supply B. Provide notes and coins for trade C. Make a profit D. Provide a cheque clearing system.
1231	An increase in the money supply other things equal shifts the _____ curve to the	A. IS ; right B. Is ; left C. LM ; Left D. LM ; right
1232	Which of the following results in an increase in the value of the dollar.	A. Interest rates in the united states decreases, ceteris paribus B. Interest rates in foreign countries increase, ceteris paribus C. Price level in the United States increases, ceteris paribus D. Productivity in the united states increases, ceteris paribus
1233	Marginal cost is the change in cost the result from a one unit increase in.	A. Price B. Cost C. Output D. Revenue

1234	Which of the following would cause the demand curve for an input to shift.	A. A change in technology B. A change in demand for the product being produced C. An increase in the number of firms in the industry D. All of the above
1235	Yin has defined case study is investigating the contemporary phenomena of.	A. Natural B. Real life C. Inexplicable D. Explainable
1236	Which of the following is a reason for misuse of statistics.	A. data can be manipulated B. Figures are convincing C. Figures can be used to mislead readers D. All of the above
1237	Pakistan's economic development planning began in.	A. 1947 B. 1948 C. 1949 D. 1950
1238	Finding a partner to work with abroad is called a.	A. Takeover B. Merger C. Acquisition D. Joint venture
1239	The term of trade is given by the prices.	A. Paid to all goods exported by the home country B. Received for all goods exported by the home country C. Received for exports and paid for imports. D. Of primary products as opposed to manufactured products.
1240	A dominant strategy is.	A. A winning strategy B. A losing strategy C. A player's best strategy when moving first D. a player's best strategy whatever the strategies adopted by rivals
1241	Industries that are extremely sensitive to the business cycle are the.	A. Durable goods and service sectors B. Nondurable goods and service sectors. C. Capital goods and nondurable goods sectors. D. Capital goods and durable goods sectors.
1242	An increase in price all other, things unchanged leads to.	A. Shift demand outwards B. Shift demand inward C. A contraction of demand D. An extension of demand
1243	Which of the following best describes the selling of a production license to another firm.	A. Hands over all rights to its products B. Sells its products abroad C. Sells the right to produce to another business D. Sells the business to another business
1244	Indifference curve is always.	A. Vertical B. Horizontal C. Concave D. Convex
1245	Which of the following would most likely shift the production possibilities curve for a nation outward.	A. A reduction in unemployment B. An increase in the production of capital goods C. A reduction in discrimination D. An increase in the production of consumer goods
1246	If the price elasticity of demand for a product in market A is -0.2 and in market B is -3 a price discriminator will charge.	A. The higher price in market A B. The higher price in market B C. The same price in both markets D. There are many sellers
1247	Macro economics deals with	A. Only the decisions made by individuals and their results. B. Only the decisions made by businesses and their results. C. Mostly large scale decisions made by countries and governments, and

		<p>their results.</p> <p>D. Only the decisions made by individuals but not the results.</p>
1248	The exchange rate is kept the same across geographically separate markets by	<p>A. Hedging</p> <p>B. Speculation</p> <p>C. Government regulation</p> <p>D. Arbitrage</p>
1249	If a small country imposes a tariff on an imported goods terms of trade will	<p>A. Improve</p> <p>B. worsen</p> <p>C. Not change</p> <p>D. any of the above</p>
1250	A reduction in government spending causes the equilibrium level of aggregate output to _____ at any given interest rate and shifts the _____ curve to the.	<p>A. fall ;LM; right</p> <p>B. fall ;IS; Left</p> <p>C. fall ;LM; Left</p> <p>D. rise ;LM; Right</p>
1251	The variable that stands alone on the left hand side of the equation such as $y = 2x + 1$ is known as.	<p>A. Dependent variable</p> <p>B. Independent variable</p> <p>C. Endogenous variable</p> <p>D. Explained variable</p>
1252	A firm's total labor cost when six workers are employed is Rs.580 When seven workers are employed the total labor cost is Rs.700 the Rs. 120 change in total labor cost represents.	<p>A. Marginal physical product</p> <p>B. Marginal resources cost</p> <p>C. Marginal cost</p> <p>D. Marginal revenue</p>
1253	In the Keynesian model which curve is vertical.	<p>A. LRAS</p> <p>B. SRAS</p> <p>C. AD</p> <p>D. NS</p>
1254	According to schumpater	<p>A. Monopolies are inefficient</p> <p>B. Monopoly profits act as an incentive for innovation</p> <p>C. Monopolies are allocatively efficient</p> <p>D. Monopolies are productively efficient</p>
1255	The arrangement where goods imported from trading partners in the developing world are subject to lower tariff rates than goods from other countries is referred to as.	<p>A. Normal trade relation status</p> <p>B. Most favored nation status</p> <p>C. Most favored nation status</p> <p>D. Generalized system of preferences</p>
1256	Unemployment Rate is a percentage relation with reference is.	<p>A. Total population</p> <p>B. Civilian labour force</p> <p>C. Employed persons</p> <p>D. Unemployed persons</p>
1257	A Six year development plan was prepared on the recommendation of Colombo consultation Committee from _____ to.	<p>A. 1951 -57</p> <p>B. 1952-58</p> <p>C. 1953-59</p> <p>D. None of the above</p>
1258	using money as a medium of exchange.	<p>A. Requires people to match goods wanted with goods available.</p> <p>B. Reduces the range of feasible exchanges in the economy</p> <p>C. Inhibits economic transactions</p> <p>D. Reduces the need for barter in the economy.</p>
1259	Parameter in inferential statistics refers to	<p>A. Sample value</p> <p>B. Data</p> <p>C. Population value</p> <p>D. Variable name</p>
1260	The origin of Agriculture is from	<p>A. Australia</p> <p>B. Central china</p> <p>C. America</p> <p>D. None of these</p>
1261	What is the share of Urban Population in the total population of Pakistan.	<p>A. 38.6%</p> <p>B. 42.6%</p> <p>C. 41.0%</p> <p>D. 32.5%</p>
1262	A fixed exchange rate, plus perfect capital mobility _____ the scope for monetary policy.	<p>A. Enhances</p> <p>B. Undermines</p> <p>C. Encourages</p> <p>D. Facilitates</p>
1263	Which of the following index numbers is an important statistical concept in economic theory.	<p>A. Per capita income</p> <p>B. Cost of living</p> <p>C. Gross National product</p> <p>D. Maximum Retail price</p>

1264	If in market the seller is changing different prices for the same commodity from different consumers it is known as.	A. Price discrimination B. efficient selling C. Profit maximiser in Monopoly D. all of these
1265	The elements in the Horizontal line in a matrix is called.	A. Columns B. Rows C. Elements D. Diagonal
1266	It is the collection of data concerning the living and working conditions of the people in a given community	A. Sampling B. Case study C. Social survey D. Data collection
1267	The asset market approach is most helpful in explaining.	A. Why exchange rate remain quite stable B. Why government change their money supplies C. Long term exchange rate movements D. Short term exchange rate movements
1268	The _____ analyzes the income distribution effects of trade in the short run when resources are immobile among industries.	A. Stolper Samuelson theory B. Factor endowment theory. C. Specific factor theory D. Overlapping demand theory
1269	Agricultural income tax in Pakistan will be levied on the farmers with land holding of or more than.	A. 30 acres B. 25 acres C. 15 acres D. 12.5 acres
1270	When goods are complements the cross demand curve	A. Upward to the right B. Backward to bottom C. Inwards to the right D. Downwards to right
1271	Tariffs.	A. Decrease the domestic price of a product. B. Increase government earnings from tax C. Increase the quantity of imports D. Decrease domestic production
1272	The main assumption of Kaldor model is that the economy operates at the level of .	A. Full employment B. Above than full employment C. Less than full employment D. None of above
1273	When the supply of money increases.	A. The LM curve will shift in B. The LM curve will shift out C. The demand for money will decrease D. The demand for money will increase
1274	When the quantity demanded is changed on the same price	A. the demand curve shifts upward B. The demand curve shifts downward C. Movement on the same demand curve D. None of these
1275	The government budget surplus equals	A. Government purchases plus transfers B. Net government receipts minus government purchases C. Government purchases minus net receipts D. Government purchases minus transfers.
1276	If my neighbor burns garden waste causing my house to fill with smoke this is an example of.	A. A production externality B. A second best solution C. Transaction costs D. A consumption externality
1277	By restricting labour supply a trade union can _____ and _____	A. Increase the wage, increase employment B. Maintain the wage, increase employment C. Increase the wage lower employment D. Maintain the wage, lower employment

1278	Assume a consumer buys 25 units of good X at Rs.8 and 10 units of good Y at Rs. 6 in 1980. If $P_x = \text{Rs. } 6$ and $P_y = \text{Rs. } 4$ in 1970 the Laspeyres index is.	A. 1.14 B. 1.65 C. 1.37 D. 1.47
1279	A nation with a current account deficit will be	A. Lending more money to other nations B. Experiencing a surplus in exports of goods and services C. Reducing its indebtedness to other nations D. Going further into debt with other nations
1280	When there is huge change in demand following method is used to measure elasticity of demand.	A. Percentage method B. Arc method C. Point method D. Other method
1281	One of the following is the renowned book of Imam Abu Yousaf	A. Kitab ul khiraj B. Kitab ul Anwal C. Kitab ul Aloom D. All of the above
1282	Unknown values in an equation are called.	A. Constants B. Numeraire C. Variables D. All of the above
1283	To study the variation in the production of rice over a number of years, select from the following, the appropriate sample for drawing results that reflects only small variations.	A. Collect data from some states B. Collect data from all the states C. Collect data from one or two states D. Collect data from more than half the number of states.
1284	Statistics should be capable of.	A. Empiricism B. systematic inquiry C. Comparison D. Evolution
1285	Real GNP is a crude measure of national welfare because it excludes.	A. Consumption B. Investment C. Export's D. work in the home
1286	The fact that the production function relating output to labor becomes flatter as we move from left to right means that.	A. The marginal product of labor is positive B. The marginal product of capital is positive C. There is diminishing marginal productivity of labor D. There is diminishing marginal productivity of capital
1287	Which of the following is not a way of helping developing economies.	A. Aid B. Loans C. Protectionism of developed markets D. Training and education programmes
1288	If the "Regulated -market" price is below the equilibrium price.	A. The quantity demanded will be greater than quantity supplied B. Demand will be less than supply C. Quantity demanded will be less than quantity supplied D. Quantity demanded will equal quantity supplied
1289	"The problem with monetarism is that its advocates have seen it as infallible over short periods of time and wish it to be rigid in its application over all periods of time" The advocates of monetarism wish it to be rigid in its application over all periods of time to.	A. Weaken fiscal policy B. Avoid monetary policy errors C. Strengthen the impact of monetary policy D. Ensure the independence of the central bank
1290	Following is the important feature of the Islamic economic system.	A. Zakat B. Usher C. Mudaraba and Musharika D. All of these
1291	The trade model of the Swedish economists Hackscher and Ohlin maintains that.	A. Absolute advantage determines the distribution of the gain from trade B. Comparative advantage determines the distribution of the gains from trade. C. The division of labor is limited by the size of the world market

		D. A country exports goods for which its resource endowment are most suited.
1292	Given a proportional income tax and a government budget that is currently in balance, an increase in autonomous investment , caters parabalas increases equilibrium income and the budget.	A. Romaic's in balnce B. Has a surplus C. Has a deficit D. None of these
1293	A typical demand curve cannot be	A. Rising upwards to the right B. A straight line C. Concave to origin D. Convex to origin
1294	Pakistan to get _____ of gas from Pak iran Gas pipeline Turkmenistan -Afghanistan , Pakistan , India gas pipeline.	A. 1.5 billion cubic feet B. 2 billion cubic feet C. 2.5 billion cubic feet D. 3 billion cubic feet
1295	In the money market a condition of excess demand for money can be eliminated by a _____ in aggregate output or a _____ in the interest rate both of which reduce the quantity of money demanded.	A. rise ; rise B. rise; fall C. fall ; rise D. fall ; fall
1296	To move from point E to point E1 is consistent with.	A. Expectations of a constant price level B. Adaptive expectations that have no adjustment for the period immediately following a change in the actual price C. Rational expectations and NCM D. A and B
1297	Suppose taht an exise tax is imposed on the monopolist's product if the monopolist's marginal cost is horizontally the relevant range, which of the following statements must be true.	A. The price will increase by an amount less than the tax B. The price will increase by an amount equal to the tax C. The price will increase by a amount greater than tax D. The price may either increase or decrease
1298	Which of the following best defines price discrimination.	A. Charging different prices on the basis of race B. Charging different prices for goods with different costs of production C. Charging different prices based on cost of service differences. D. Selling a certain product of given quality and cost per unit at different prices to different buyers
1299	Nontariff trade barriers could include all of the following except.	A. Domestic content laws B. Government procurement polices C. Health , safety, and environmental standards D. Antidumping counter/vialling duties applied to imports.
1300	A business cycle refers to.	A. Fluctuations in the general price level B. changes in the long term growth pattern of the CPI C. The ups and downs of real GDP D. Fluctuations in the level of corporate.
1301	All of the following are benefits of the single market except.	A. It allows countries to exploit their comparative advantage, more fully B. Firms could more readily exploit economies of scale C. It intensified competition D. It is easier book holidays in member countries.
1302	The theory of _____ suggests that government can assist domestic companies in capturing economic profits from foreign competitors	A. International dumping B. Countervailing duties C. Strategic trade policy D. Export promotion policy
1303	Firms entering a perfectly competitive market will cause the price of the product to	A. Decrease B. Increase C. Remain constant D. Respond more to consumer demand than supply
1304	The signed minor of the matrass A is called.	A. Adjoin B. Co factor C. Minor D. Rank

1305	Who among the following is a proponent of bio centrism	A. Aldo Leopold B. Arne Naess C. Paul Taylor D. None of these
1306	A linear function of the form $6x^2 - 2y + 8 = 0$ is known as.	A. Explicit function B. implicit function C. Quadratic function D. All of the above
1307	If there are 50 firms in a industry each selling 2% of the total sales the concentration ratio is.	A. 50% B. 2% C. 8% D. 100%
1308	The short run marginal cost curve cuts the short run total cost curve and short run average variable cost curve.	A. At their lowest points B. When they are declining C. When they are increasing. D. When marginal revenue is zero
1309	A monolithically competitive market is characterized by all of the following except.	A. Easy entry B. Differentiated product C. Excess capacity D. Economic profit in the long run
1310	A change in autonomous spending is represented by.	A. A movement along a spending line B. A shift of a spending line C. A change in a behavioral coefficient. D. None of these
1311	If there is a financial panic and increased uncertainty about the return in the stock market and bond market what is the likely effect on money demand.	A. Money demand declines first then rises when inflation increases B. Money demand rises C. The overall effect its ambiguous D. Money demand declines
1312	a possible use in enconia's for the circle or the ellipse is to model.	A. Production possibility curve B. Demand cuve C. Isocost lline D. Supply curve
1313	If the income elasticity of demand is +4	A. The good is an inferior good B. The good is an inelastic normal good C. The good is an elastic normal good D. the good is an elastic inferior good
1314	In Nash equilibrium each player chooses the best strategy.	A. Assuming other players move first. B. Dominated by the other players C. Given the strategies of other players D. That is a credible threat
1315	The appropriate expenditure switching policy to correct a balance of payments deficit is.	A. Contractionary monetary policy B. expansionary fiscal policy C. Currency devolution D. Currency revaluation
1316	A square matrix with 1's in its principal diagonal and zeros every where else is.	A. Diagonal matrix B. Identity matrix C. Leading diagonal D. Scalar matrix
1317	The exchange rate system that best characterizes the present international monetary arrangement used by industrialized countries is.	A. Freely fluctuating exchange rates B. Adjustable pegged exchange rates C. Managed floating exchange rate. D. Pegged or fixed exchange rates
1318	A decrease in fully autonomous investment other things equal shifts the _____ curve to the	A. IS ; right B. IS ; Left C. LM ; Left D. LM ; right
1319	Which of the following is an economic activity.	A. Teaching of a teacher in the school. B. To teach son at home C. To serve her child by mother D. to play foot ball by a student
1320	Which of the following would increase aggregate demand.	A. Increasing saving B. Increasing import spending C. Increasing taxation revenue D. increased investment

1321	Research is directed towards the solution of immediate , specific and practical problem is called.	<p>A. Applied</p> <p>B. Applied</p> <p>C. Diagnostic</p> <p>D. Descriptive</p>
1322	In the short run, the supply of capital is _____ and in the long run iwl depend on.	<p>A. Variable technology</p> <p>B. Fixed, expectations</p> <p>C. Fixed, rental rate of capital</p> <p>D. Variable, interest rates.</p>
1323	The appropriate expenditure switching policy to correct a balance of payment surplus is.	<p>A. Currency revaluation</p> <p>B. Currency devaluation</p> <p>C. Expansionary monetary policy</p> <p>D. Contractionary fiscal policy</p>
1324	A welfare less occurs in monopoly where	<p>A. The price in greater than the marginal cost</p> <p>B. The price is greater than the marginal benefit</p> <p>C. The price is greater than the average revenue</p> <p>D. Has the right to investigate monopolies and will assess each one on its own merits</p>
1325	The law of demand states that.	<p>A. As the quantity demanded rises, the price rises.</p> <p>B. As the price rises the quantity demanded rises</p> <p>C. As the price rises, the quantity demanded falls.</p> <p>D. As supply rises, the demand rises.</p>
1326	When real income increases, other things equal we fan expect the demand for real money holdings to.	<p>A. Fall</p> <p>B. Not change</p> <p>C. Increase</p> <p>D. Decrease</p>
1327	Investors engage in _____ when they move funds into foreign currencies in order to take advantage of interest rates abroad the are higher than domestic interest rates.	<p>A. Currency arbitrage</p> <p>B. Interest arbitrage</p> <p>C. Short positions</p> <p>D. Long positions</p>
1328	There are three fundamental questions every society must answer Which of the following is one of these questions.	<p>A. What goods and services are to be produced.</p> <p>B. How are the good and services to be produced.</p> <p>C. Who will get the goods and services what are produced.</p> <p>D. All of the above</p>
1329	$(A+B) + C = a + (B+C)$ This law of matrices is known as.	<p>A. Cumulative law</p> <p>B. Associative law</p> <p>C. Distributive law</p> <p>D. Identity law</p>
1330	Should international transpiration costs decrease, the effect on international trade would include a.	<p>A. Increase in the volume of trade</p> <p>B. smaller gain from trade</p> <p>C. Decline in the income of home producers</p> <p>D. Decrease in the level of specialization production.</p>
1331	The agricultural price support program is an example of.	<p>A. A price ceiling</p> <p>B. A price floor</p> <p>C. Equilibrium pricing</p> <p>D. None of these</p>
1332	Economic growth may depend upon _____ and _____	<p>A. $\text{Population size , } x - \text{efficiency}$</p> <p>B. Population age distribution, education</p> <p>C. Population growth, education</p> <p>D. Population growth, technical progress</p>
1333	Which theory is generally included under micro economics.	<p>A. Price theory</p> <p>B. Income theory</p> <p>C. Employment theory</p> <p>D. None of the above</p>
1334	A decrease iin money demand other thing equal shifts the _____ curve to the	<p>A. IS ; right</p> <p>B. Is ; Left</p> <p>C. LM ; Left</p> <p>D. LM ; Rflight</p>
1335	Art gallery argument give emphasis to aesthetic aspect of.	<p>A. Diversity</p> <p>B. Nature</p> <p>C. Life</p> <p>D. None of these</p>

		D. None of these
1336	Tax incidence is the	<p>A. Ultimate distribution of a tax's burden</p> <p>B. Measure of the impact the tax has on employment and output</p> <p>C. Behavior of shifting the tax to another party</p> <p>D. Structure of the tax</p>
1337	The IMF gives	<p>A. Short term credits</p> <p>B. Short term and long term creditors</p> <p>C. Both long term credits</p> <p>D. None of these</p>
1338	The most important determinant of price elasticity is.	<p>A. The slope of the demand curve</p> <p>B. The availability of substitutes</p> <p>C. The price of other goods</p> <p>D. The income of the consumer</p>
1339	To adjust GDP from market prices to factor cost.	<p>A. Add indirect taxes</p> <p>B. Subtract subsidies</p> <p>C. Deduct indirect taxes and subsidies</p> <p>D. Deduct indirect taxes and add subsidies</p>
1340	Ad valorem tariffs are collected as	<p>A. Fixed amounts of money per unit traded</p> <p>B. A percentage of the price of the product</p> <p>C. A percentage of the quantity of imports</p> <p>D. All of the above</p>
1341	Relation between two numbers or variables are called.	<p>A. Function</p> <p>B. Binary relation</p> <p>C. Inverse relation</p> <p>D. None of the above</p>
1342	Import quotas tend to result in all of the following except.	<p>A. Domestic producers of the imported good being harmed</p> <p>B. Domestic consumers of the imported good being harmed</p> <p>C. Prices increasing in the importing country</p> <p>D. Price falling in the exporting country.</p>
1343	In linear consumption function with a positive slope less than one means that if income increase, consumption will.	<p>A. Fall</p> <p>B. Not change</p> <p>C. Fluctuate</p> <p>D. Increase</p>
1344	The Human Development index is based on.	<p>A. Income per capita human capital economic vulnerability</p> <p>B. Income per capita, life expectancy education</p> <p>C. Income per capita child mortality rates education.</p> <p>D. Income per capita life expectancy economic vulnerability</p>
1345	Under perfect competition, the price system automatically results in efficient output selection when	<p>A. $MC = MR$</p> <p>B. $MC = MU$</p> <p>C. $P = ATC$</p> <p>D. $P > AVC$</p>
1346	The form of dumping that represents the greatest potential net welfare loss for the importing nation is.	<p>A. Predatory dumping</p> <p>B. Sporadic dumping</p> <p>C. Persistent dumping</p> <p>D. Year end dumping</p>
1347	How do the banks gain from this corporate behavior.	<p>A. More loans can be made</p> <p>B. Tax free profits can be made</p> <p>C. Interest rates can be increased</p> <p>D. By circumventing banking regulations</p>
1348	The largest trading partner of Pakistan is	<p>A. Italy</p> <p>B. UK</p> <p>C. USA</p> <p>D. None of these</p>
1349	The factor endowment theory was pioneered by	<p>A. Adam Smith</p> <p>B. David Ricardo</p> <p>C. Wassily Leontief</p> <p>D. Eli Heckscher and Bertil Ohlin</p>
		<p>A. Segmentable markets</p> <p>B. Difference in price elasticity of</p>

1350	The conditions necessary for a firm to be able to price discriminate include.	demand among the segments C. The inability of customers to transfer products D. All of the above
1351	An autonomous rise in the value of the Rupee makes Pakistan goods _____ expensive relative to foresight goods which _____ net exports	A. Less ; decreases B. Less ; increases C. More ; decreases D. more ; increases
1352	The most frequently occurring score in a distribution	A. Mean B. mode C. Median D. Quartile
1353	An autonomous increase in the value of the domestic exchange rate.	A. Increases output net exports and the interest rate. B. Decreases output net exports and the interest rate C. Decreases output and net exports and increases the interest rate. D. Increase output and decreases net exports and the interest rate.
1354	The farming in which farmers grow only enough food to survive food to survive is called.	A. Cultivation B. Farm mechanism C. Substance farming D. None of these
1355	In the monetary base is increased by \$1,000 and the reserve requirement is 10% by how much will the money supply be increased.	A. \$100 B. \$1,000 C. \$5,000 D. \$10,000
1356	An indifference curve gives	A. the actual combination of goods that consumer chooses B. the minimum choice of the consumer C. the highest level of satisfaction D. None of these
1357	A good that is used as a medium of exchange as well as being a consumption good is called.	A. A barter money B. A commodity money C. A legal tender D. A debased money
1358	That the division of labor a limited by the size of the market best applies to which explanation of trade	A. Factor endowment theory B. Product life cycle theory C. Economies of scale theory D. Over lapping demand theory.
1359	Ibn-e Khaldun discussed in detail the principles of.	A. Taxation B. Terms of trade C. Term of rent D. Duties of ruler
1360	When the price of an inferior goods falls ceteris paribus the substitution effect leads to _____ in the quantity purchased and the income effect leads to _____ in the quantity purchased.	A. An increase an increase B. An increase, a decrease C. A decrease, an increase D. A decrease, a decrease
1361	A decrease in wealth would cause the IS curve to	A. Shift up and to the right B. Shift down and to the left C. Remain unchanged D. Shift up and to the right only in poeple face borrowing constraints.
1362	A shift in tastes loward foreign goods _____ net exports and causes the quantity of aggregate output demanded to.	A. decreases ; rise B. decreases ; fall C. increases ; rise D. increases ; fall
1363	If firms paying employees monthly began paying them weakly then the demand for money would.	A. Rise and income would rise B. Rise and income would fall C. Fall and income would rise D. Fall and income would fall
1364	Which of the following shifts the demand curve for hot dogs leftward.	A. An increase in the price of a hot dog bun B. A decreases in the price of a hot dog bun C. An increased in the price of a hamburger D. An increases in the price of a hot dog
1365	If a person's MPC is always two thirds and that person's break even point is Rs. 6,000. at a	A. Rs. 8,000 B. Rs. 5,000

1365	disposable income of Rs.9,000 the person's consumption expenditures will be.	C. Rs.6,000 D. Rs.7500
1366	Which of the following is not an element of the redistribution with growth policy approach.	A. Minimum wage legislation B. Land reform C. Progressive taxation D. Increased access to education
1367	Which of the following does not characterize monopolistic competition.	A. Product differentiation B. Many producers C. Absence of advertising D. Some control over price
1368	The implementation lag for monetary policy is generally	A. Much longer than it is for fiscal policy B. Unrelated to central bank action C. The same as it is for fiscal policy D. Much shorter than it is for fiscal policy.
1369	The arc income elasticity of demand is approximately	A. 0.02 B. 1.9 C. 3.3 D. 0.5
1370	When planned saving is greater than planned investment.	A. Output should increase B. Output should decrease C. Output should not change D. All of the above
1371	Price elasticity at a given price is not affected by.	A. The price of complements B. The price of substitutes C. The consumer's income D. A change in supply
1372	Censuses are the most complete type of.	A. Social survey B. Survey C. Sampling D. Data collection
1373	In the ISLM frame work a contractionary fiscal policy causes aggregate output to _____ and the interest rate to _____	A. Increase ; increase B. Increase ; decrease C. decreases ; decrease D. decrease ; Increase
1374	Since 1960 the rage of economic growth in the country has been	A. On the decline continuously B. Increasing continuously C. increasing occasionally. D. Static in real terms
1375	Anthropocentrism gives intrinsic value to	A. Nature B. Human beings C. Both a and b D. None of these
1376	An increase in government spending causes the equilibrium level of aggregate output to _____ at any given interest rate and shifts the _____ curve to the _____	A. rise ; LM ; right B. rise ; LM ; Left C. fall ; IS ; Left D. rise ; IS ; right
1377	Adding up the quantities demanded of a good by different people facing the same price gives us the.	A. Supply curve B. Market demand curve C. Demand curve D. Market supply curve
1378	The resources in an economy are	A. Constantly increasing B. Fixed at any moment C. Constant decreasing D. Able to be transferred easily between industries
1379	Research adopted by	A. Scientific method B. Political method C. Invidia method D. Public method
1380	Large difference in inflation rates among countries are almost always the result of large difference in.	A. Productivity B. Real income growth C. The growth rates of real money demand D. The growth rates of nominal money supplies
1381	The main monetary tool in Islamic economic system regarding circulation of wealth is zakat it is for.	A. Poor and needy B. consumers C. Producers D. Banks

1382	Control is the essential ingredient of	A. Descriptive method B. Diagnostic method C. Explorative method D. Experiential method
1383	Which of the following is the most liquid.	A. A savings account B. A 6 months CD C. A home D. Water
1384	Skilled labour is relatively scarce because.	A. There are too few teachers B. Too few student places in higher education C. It is costly to acquire human capital D. Teachers salaries are too low
1385	If the economy is in equilibrium at Rs. 180 billion and taxes are reduced by Rs.20 billion, find the new equilibrium given that this is a simple economy i.e. exogenous government spending tax collection and investment spending and a marginal propensity to consume of .75	A. 60 B. 200 C. 250 D. 240
1386	In oligopoly market seller are.	A. Few B. Four C. Some D. A large number
1387	Suppose a new law imposes a tax on all trades of bonds and stock What is the likely effect on money demand.	A. Money demand declines first then rises when inflation increases B. Money demand rises C. The overall effect is ambiguous D. Money demand declines
1388	Which of the following is true.	A. If the marginal cost is greater than the average cost the average cost falls. B. If the marginal cost is greater than the average cost the average cost increases. C. If the marginal cost is positive total costs are maximized D. If the marginal cost is negatives total costs increase at a decreasing rate if output increases
1389	Game theory	A. Firm are assumed to act independently B. Firms are assumed to cooperate with each other C. Firm collude as part of a cartel D. Firms consider the actions of others before deciding what to do.
1390	Sample implies	A. Survey representation of larger whole B. Smaller representation of larger whole C. Population representation of a larger whole D. Census representation of a larger whole
1391	Assuming a downward sloping demand curve and upward sloping supply curve a higher equilibrium price may be caused by.	A. An fall in demand B. An increase in supply C. Improvements in production technology D. An increase in demand
1392	Productive capacity of agricultural sector due to green revolution	A. Remain same B. Not effectctd C. Increased D. Decreased
1393	Data is collected with reasonable standard of.	A. Numerical method B. Feasibility C. Accuracy D. All of the above
1394	The money multiplier is 4, and the money creating potential of the banking system is Rs. 40,000,000. The legal reserve ratio and the excess reserves are.	A. 40 percent and Rs. 4,000,000 B. 40 percent and Rs. 10,000,000 C. 25 percent and Rs. 2,500,000 D. 25 percent and Rs.10,000,000
1395	Economists use the phrase ceteris paribus to express the assumption.	A. All else equal B. Everything affects everything else. C. Scarcity is a fact of life D. There is no such thing as a free lunch
		A. There are many buyers and sellers B. There is one main buvers

1396	In monopoly which of the following is true.	<p>C. There is one main seller</p> <p>D. The actions of one firm do not affect the market price and quantity.</p>
1397	Which of the following characteristics if Islamic economic system is true	<p>A. An Islamic state is essentially a welfare state.</p> <p>B. Ensure social justice</p> <p>C. All economic problems are solved in the light of moral values</p> <p>D. All of the above</p>
1398	A pure number by which change in investment is multiplied to change in income is called	<p>A. Multiplier</p> <p>B. Accelerator</p> <p>C. Stabilizer</p> <p>D. All of these</p>
1399	Rule of innovation in economic growth is very important according to.	<p>A. Adam smith</p> <p>B. Richardo</p> <p>C. Schumpeter</p> <p>D. Rostow</p>
1400	The demand for labor will be more elastic if	<p>A. There are few substitutes for labor</p> <p>B. There is a shor time under consideration</p> <p>C. Labor is a large percent of the total cost of production</p> <p>D. The demand for the product is relatively inelastic</p>
1401	The measured of GDP includes	<p>A. Non market goods such as home making and child rearing</p> <p>B. The benefits of clean air and water</p> <p>C. Estimated values of activity in the underground economy</p> <p>D. Purchases and sales of goods produced in previous periods</p>
1402	In the economy when a steel producer sells steel to car producer it is regarded as.	<p>A. A final good</p> <p>B. An intermediate good</p> <p>C. an injection</p> <p>D. a leakage</p>
1403	A profit maximizing firm will hire labor until _____ equal the	<p>A. Marginal revenue, marginal cost</p> <p>B. Long run marginal revenue, long run marginal cost</p> <p>C. Labour output ratio, capital output ratio</p> <p>D. Marginal cost of labour, marginal revenue product</p>
1404	The "compensated" demand curve is the demand curve that.	<p>A. Shows only the income effect</p> <p>B. Shows only the substitution effect</p> <p>C. Shows both the income and substitution effects</p> <p>D. Shows the Geffen good demand curve</p>
1405	Estimation is the process of.	<p>A. Formulating some hypothesis about the population</p> <p>B. Inferring statistic from parameter</p> <p>C. Testing some hypothesis about eh population</p> <p>D. Inferring parameter from statistic</p>
1406	If a monopoly is unable to cover its short run variable costs, if should.	<p>A. Shut down</p> <p>B. Raise price</p> <p>C. Lower price</p> <p>D. Increase output</p>
1407	The larger the required reserve ratio the.	<p>A. Smaller is the deposit multiplier</p> <p>B. Larger is the deposit multitiier</p> <p>C. Larger is the amount of total deposits that can created from a new deposit</p> <p>D. Larger is the amount of total money that can be created from a withdrawal</p>
1408	Regarding Industrial development in Pakistan in 1960 following policy was adopted.	<p>A. Import substitution</p> <p>B. Export promotion</p> <p>C. Both</p> <p>D. None of these</p>
1409	Consider the five panels of the figure on the previous page in which panel would the simultaneous imposition of restrictive monetary policy and expansionary fiscal policy cause the largest increase in interest rates.	<p>A. Panel a</p> <p>B. Panel b</p> <p>C. Panel c</p> <p>D. Panel d</p>

A. The actions of the World Trade

1410	Globalization is made more difficult by	Organization B. The removal of protectionist measures C. Exchange rate instability D. More free trade agreements
1411	If the monopolist maximizes profits when marginal revenue equals marginal cost equals average cost economic profits must be.	A. Negative B. Positive C. Zero D. Either a or c
1412	Average fixed cost	A. Is U shaped B. Declines over the entire output range. C. Is a long run concept only D. Is influenced by diminishing returns to production
1413	In the Keynesian corss diagram, and cline in autonomous consumer expenditure causes the aggregate demand function to shift down the equilibrium level of aggregate output to _____ and the IS curve to shift to the.	A. up ; left B. up ; right C. down ; left D. down ; right
1414	If the price of automobiles were to decrease substantially the demand curve for public transpiration would most likely.	A. shift rightward B. Shift leftward C. Remain unchanged D. Remain unchanged while quantity demanded would change
1415	What is the average money balance according to the square root rule if income is Rs.1500, each transaction cost is Rs.4, and the opportunity cost of holding money is.2%	A. 387 B. 50 C. 175 D. 203
1416	Total revenue equals	A. Price Plus quantity B. Price multiplied by quantity sold C. Price divided by the quantity sold D. Price minus quantity sold
1417	If average fixed cost is 40 and average variable cost is 80 for a given output we the know that average total cost is.	A. 40 B. >120 C. 80 D. None of the above
1418	The "balance of trade" is a record of.	A. Exports and imports of financial assets B. The current account plus capital account C. The net export of goods and services D. The value of merchandise exports minus imports
1419	The key difference between classical and Keynesian macro economist is their differing beliefs about.	A. The slope of the aggregate demand curve B. The speed at which prices adjust C. The natural rate of unemployment D. The full employment level of output
1420	Indirect taxes are	A. Direct taxes - subsidies B. Subsidies C. Sales taxes D. Income taxes
1421	Pakistan is the _____ largest Cotton Producer country in the world	A. Fourth B. Fifth C. Eight D. Sixth
1422	"Reducing inflation is a more important objective than economic growth" is an example of.	A. Normative economics B. Positive economics C. Objective economics D. Reality economics
1423	Fiscal defect in the budget means.	A. Revenue Deficit plus the net borrowings of the government. B. Budgetary deficit plus the net borrowings of the government C. Capital deficit plus revenue deficit D. Primacy deficit minus capital deficit
1424	The long run Philips curve is _____ at the _____	A. Horizontal natural rate of inflation B. Horizontal , natural rate of unemployment C. Vertical , natural rte of inflation D. Vertical , equilibrium rate of unemployment.

1425	Some goods are not closely related to each other and are neither substitutes nor complements for such goods the cross price elasticity of demand would be.	A. Positive B. Negative C. Zero D. Cannot tell without more information
1426	According to principle of Islamic economics interest free banking was started in the firm of PLS account.	A. Nawaz sharif B. Zia ul haq C. Z.A Bhutto D. Ayub Khan
1427	If an increase in the price of gasoline increases the demand for gas hybrid cars, then	A. Hybrid cars are an inferior good B. Gasoline and hybrid cars are complements in consumption C. Gasoline is an inferior good D. Gasoline and hybrid cars are substitutes in consumption
1428	A price decrease and an increase in income are similar in that	A. Both force the consumer to achieve a lower level of well being B. Both force the consumer to reach a lower indifference curve C. Both move the budget line outward D. They are not similar at all
1429	In the Keynesian cross diagram an increasing investment spending because companies become more optimistic about investment profitability causes the aggregate demand function to shift _____ and the equilibrium level of aggregate output to.	A. up ; rise B. up ; fall C. down ;rise D. down ; fall
1430	If marginal utility is zero.	A. Total utility is zero B. An additional unit of consumption will decrease total utility C. An additional unit of consumption will increase total utility D. Total utility is maximized
1431	_____ policies attempt to foster industrialization by establishing high barriers to import of foreign goods to promote local production.	A. absolute advantage B. Comparative advantage C. Export led growth D. Import substitution
1432	The opportunity cost of a good is.	A. The time lost in finding it B. The quantity of other goods sacrificed to get another unit of that good C. The expenditure on the good D. The loss of interest in using savings
1433	The concept of the intuition of deep ecology is related to.	A. Kant B. Warwick fox C. Spinoza D. All of these
1434	If the consumption of a good by one person does not reduce the quantity available by other and nobody can be easily excluded from consumption, we are referring to a.	A. Private good B. Merit good C. Public good D. Abundant good
1435	Wassily Leontief used an input output table in order to test the.	A. Richardian theory of comparative advantage B. Heckscher Ohlin theory of comparative advantage. C. Linder theory of overlapping demand D. All of the above
1436	A specification of a maximum amount of a foreign produced good that will be allowed to enter the country over a given time period is referred to as a	A. Domestic subsidy B. Export subsidy C. Import quota D. Export quota
1437	The theory that explains business cycles by the dynamic interaction of consumption and investment demand is the.	A. Sun spect theory B. Multiplier accelerator model C. Solow theory D. New classical theory
1438	Ordered Pairs of two sets are called.	A. Elements B. Function C. Cartesian product D. None of the above
1439	A major advantage of monetary over fiscal policy is that monetary policy.	A. Can be put into effect more quickly B. Affects all sectors of the economy equally C. Authorities are quicker to see the need for policy D. None of the above

		need for policy D. Has a more direct and predictable impact on spending.
1440	A reduction in the costs of production will	A. Lead to a movement along the supply curve B. Shift the demand curve C. Shift the supply curve D. Lead to an extension of supply
1441	Which of the following factors will cause the demand curve for labor to shift to the right.	A. The demand for the product produced by labor declines. B. The prices of substitute inputs falls C. The productivity of labor increases D. None of the above
1442	Which of the following is a patriarchal value.	A. Sympathy B. Domination C. Cooperation D. Love
1443	Injection into the circular flow are _____ and _____	A. Consumption, investment, exports B. Investment exports, transfer payments C. Investment government expenditure, exports. D. Taxes, exports, transfer payments.
1444	Net taxes are.	A. Government expenditures minus government revenues. B. Taxes paid by firms and households to the government minus the transfer payments made to firms and household. C. Taxes paid by firms and household to the government plus transfer payments made to firms and household. D. Taxes paid by firms and household to the government minus the cost of collecting the taxes.
1445	In a perfectly competitive labour market firms are wage takers and the marginal cost of labour equals.	A. the average cost of labour B. The marginal product C. The marginal revenue D. The total cost of labour
1446	Which of these are nicknamed as Breton wood twins.	A. IBRD AND IDA B. IBRD AND WTO C. WTO AND IMF D. IMF AND IBRD
1447	Which of the following measures is the best measure of money as a medium of exchange.	A. M1 B. M2 C. M3 D. None of the above
1448	According to the .A.H Hasen the capitalistic economy is basically characterized with	A. Instability B. Stability C. Inefficiency D. Efficiency
1449	Wellbeing of all individual living things is the primary concern of.	A. Biocentrism B. Eco centremen C. anthropocentrism D. None of these
1450	Possible causes of involuntary unemployment are	A. Minimum wage agreements B. Trade unions C. Scale economies D. All of the above
1451	Positive cross elasticities suggest that goods are _____ and negative cross elasticities that goods are.	A. Substitutes, inferior B. Normal, complements C. Substitutes, complements D. Normal , inferior
1452	First land reforms made by Ayub Khan in	A. 1965 B. 1970 C. 1962 D. 1958
1453	If people are made unemployed because of a fall in aggregate demand this is known as.	A. Frictional unemployment B. Seasonal unemployment C. Cyclical unemployment D. Structural unemployment

A. An inward shift of the production

1454	Economics given can be shown by	possibility frontier B. A movement down the production possibility frontier C. An outward shift of the production possibility frontier D. A movement up the production possibility frontier
1455	When oligopolistic firms interacting with one another each choose their best strategy given the strategies chosen by other firm in the market we have	A. A cartel B. The perfect competitive outcome C. The Nash equilibrium D. Monopolistic competition
1456	Why might a country resist globalization.	A. Greater choice of final products B. Greater choice of supplies C. Greater competition for domestic firms D. More markets to sell to
1457	In monopolistic competition	A. Demand is perfectly elastic B. Products are homogeneous C. Marginal revenue = price D. The marginal revenue is below the demand curve and diverges
1458	World trade has been increasing due to.	A. Increased tariffs B. Increased legal barriers C. Increased embargoes D. Reduced protectionism
1459	The average total cost when 20 units of output are produced is	A. Rs. 2,900 B. Rs.195 C. Rs. 20 D. Rs.900
1460	Which of the following does not apply to pareto efficiency.	A. Consumptive efficiency B. Productional efficiency C. Allocative efficiency D. Equity
1461	An increase in interest rates.	A. Is likely to reduce savings B. Is likely to reduce the external value of the currency C. Leads to a shift in the MEC schedule D. Leads to a movement along the MEC schedule
1462	in monopolistic competition the firms desire to sell more output at the equilibrium because.	A. Price is more than marginal cost B. Price is less than marginal cost C. Price is less than average cost D. Price more than average cost
1463	The marginal rate of tax paid is.	A. The total tax paid /total income B. Total income/total tax paid C. Change in the tax paid/change in income D. Change in income/change in tax paid
1464	The Keynesian theory is consistent with the business cycle fact that inflation is	A. Procyclical and leading B. Procyclical and lagging C. Countercyclical and leading D. All of these
1465	Money is	A. An indicator of the scarcity of wants B. Anything that sellers accept i exchange for goods and services. C. A form of barter D. Anything that the government classifies as a trade commodity.
1466	To determine the total demand for all consumers sum the quantity each consumer demands.	A. At a given price B. At all prices and then sum this amount across all consumers C. Both a and b will generate the same total demand D. None of the above
1467	The firms average variable cost of the 150th unit is.	A. Rs.15 B. Rs.17 C. Rs.20 D. Rs.9
		A. Ratio of the frictional unemployment rate to the cyclical unemployment rate.

1468	The natural rate of unemployment is generally thought of as the	<p>B. Sum of fictional unemployment and cyclical unemployment.</p> <p>C. Sum of frictional unemployment and structural unemployment.</p> <p>D. sum of structural unemployment and cyclical unemployment.</p>
1469	Prices that do not always adjust rapidly to maintain equality between quantity supplied and quantity demanded are.	<p>A. Market prices</p> <p>B. Sticky prices</p> <p>C. Fixed prices</p> <p>D. Regulatory prices</p>
1470	If desired spending in the economy exceeds income we would expect.	<p>A. House hold to save more</p> <p>B. Firm to produce less</p> <p>C. Firms is produce more</p> <p>D. the MPC to change</p>
1471	According to M.P Todaro model of ruler -urban migraton the migrationis assumed to be a.	<p>A. Social phenomenon</p> <p>B. Cultural phenomenon</p> <p>C. Uneconomic phenomenon</p> <p>D. Economic phenomenon</p>
1472	Which of the following is automatic stabilizer.	<p>A. Unemployment benefits</p> <p>B. Spending on education</p> <p>C. Defense spending</p> <p>D. Net interest</p>
1473	A recurring theme in economics is.	<p>A. People have unlimited wants in the face of limited resources</p> <p>B. There are unlimited resources</p> <p>C. Our country is rich, we just don't realize it</p> <p>D. People have limited wants in the face of limited resource.</p>
1474	Which of the following rights be a scarce good.	<p>A. Love</p> <p>B. faith</p> <p>C. Self control</p> <p>D. All of above</p>
1475	The fact that the long run Phillips curve is vertical implies that	<p>A. Monetary policy can't effect unemployment</p> <p>B. Money is neutral in the long run</p> <p>C. There is a natural rate of inflation</p> <p>D. Money can't affect inflation in the long run</p>
1476	An example of nondiscretionary fiscal policy would be.	<p>A. The operation of the welfare state</p> <p>B. A Federal jobs program adopted to stimulate consumption</p> <p>C. A tax cut adopted to stimulate consumption</p> <p>D. An interest rate cut implemented to stimulate consumption</p>
1477	Which of the following are functions of inferential statistics.	<p>A. Estimation</p> <p>B. Testing of hypothesis</p> <p>C. Both a and b</p> <p>D. None of these</p>
1478	Those who argue in favor of import protection generally give the impression that such restricted trade will	<p>A. Decrease the level of national security</p> <p>B. Provide benefits to some particular industry</p> <p>C. Provides benefits to the entire nation</p> <p>D. Not yield welfare losses for the nation</p>
1479	in 1950's industrial development was observes only in.	<p>A. Food industry</p> <p>B. Textile industry</p> <p>C. Coal industry</p> <p>D. Cement indusry</p>
1480	A supply curve that starts at the origin has	<p>A. A price elasticity of supply greater than one</p> <p>B. A price elasticity of supply equal to one</p> <p>C. A price elasticity of supply less than one</p> <p>D. A positive price elasticity of supply</p>
1481	If British Residents want more French francs to purchases more fresh wine, other things equal than the equilibrium value of the pound against the French farce will.	<p>A. Rise</p> <p>B. fall</p> <p>C. not changes</p> <p>D. fluctuate</p>
		<p>A. Money neutrality exists and prices adjust rapidly</p>

1482	Classical economics believe that in the short run.	<p>B. Money neutrality does not exist and prices adjust rapidly</p> <p>C. Money neutrality does not exist and prices adjust rapidly</p> <p>D. Money neutrality exists and prices do not adjust rapidly.</p>
1483	Theories of surplus labor describe that	<p>A. In UDCs unemployment rate is high</p> <p>B. The margin productivity labor is near to zero</p> <p>C. Overpopulation is much more in UDCs</p> <p>D. DCs have less uemployment</p>
1484	Who among the following is a pantheist	<p>A. Warwick fox</p> <p>B. Spinoza</p> <p>C. Kant</p> <p>D. None of these</p>
1485	Bank create money by	<p>A. Printing it</p> <p>B. Issuing debit cards</p> <p>C. Accepting chequeens</p> <p>D. Lending out part of their deposits</p>
1486	The institutional framework developed in 1974 to promote trade liberalization is known as.	<p>A. WTO</p> <p>B. GATT</p> <p>C. IMF</p> <p>D. World bank</p>
1487	The term household production refers to	<p>A. Output produced by forcing children to work</p> <p>B. Output produced by workers who are telecommuting</p> <p>C. Services provided directly to households such as lawn mowing by landscape companies.</p> <p>D. Output produced at home</p>
1488	A mixed economy	<p>A. Has supply but not demand</p> <p>B. Has demand but not supply</p> <p>C. Has supply and demant</p> <p>D. Has market forces and government intervention</p>
1489	A checking deposit held at a commercial bank is considered _____ of that bank.	<p>A. An asset</p> <p>B. Net worth</p> <p>C. a liability</p> <p>D. Capital</p>
1490	Expansionary fiscal policy in the classical model will cause aggregate demand to _____ potential output.	<p>A. Exceed</p> <p>B. Fall below</p> <p>C. Fluclaute around</p> <p>D. Remain equal to.</p>
1491	The reduction or covering of foreign exchange risk is called.	<p>A. Hedging</p> <p>B. Speculation</p> <p>C. Intervention</p> <p>D. Arbitrage</p>
1492	In the long run a profit maximizing firm will choose to exit a market when	<p>A. Fixed costs exceed total costs</p> <p>B. Total revenue from production is less than total costs</p> <p>C. Average fixed cost is rising.</p> <p>D. Marginal cost exceeds marginal revenue at the current level of production.</p>
1493	Object of case study is to.	<p>A. Gueralise theory</p> <p>B. Datives theory</p> <p>C. Expand theory</p> <p>D. Flexible data collection</p>
1494	Which of the following is a characteristic of pure monopoly.	<p>A. one seller of the product</p> <p>B. Low barriers to entry</p> <p>C. Close substitute products</p> <p>D. Perfect information</p>
1495	The Islamic mode of business where the subscriber participate with the money and the manager with skill and labor is.	<p>A. Qarz -e - hasna</p> <p>B. Musharika</p> <p>C. Mudaraba</p> <p>D. Islamic business</p>
1496	A model in which individual producers act as price setters because there are only a few sellers and the product they sell is not standardized, is called.	<p>A. Imperfect competition</p> <p>B. Perfect competition</p> <p>C. Monopoly</p> <p>D. Monopsony</p>
		<p>A. IS ; right</p> <p>B. IS ; left</p>

1497	A decrease in money demand other thing equal shifts the _____ curve to the	B. LM ; Left C. LM ; Left D. LM ; Right
1498	If both Marginal cost and marginal revenue increase, a firm.	A. Should increase output B. Should reduce output C. Will require further information on how to respond D. should not change output
1499	Statistics are affected to a market extend by	A. Aggregate of facts B. Multiplicity of causes C. Numerically stated D. Complex manifestations
1500	All of the following are trade problems of developing countries except.	A. Unstable export markets B. improving terms of trade C. Limited access to the markets of industrial countries D. Highly elastic demand curves for their products.
1501	Hyperinflation occurs when	A. The inflation rate rises B. The inflation rate declines C. The inflation rate is extremely high D. The inflation rate is extremely low
1502	"Principles of economics" is the book of	A. Robbins B. Adam Smith C. Hicks D. Marshall
1503	The recording of the data is done on the basis of the scheme.	A. coding B. Tabulation C. Classification D. Analysis
1504	For a positively skewed distribution.	A. mean > mode > median B. mean > median > mode C. mode > mean > median D. mean < mode < median
1505	"Null set is proper subset of all the non null sets" this statement is.	A. Always true B. sometimes true C. Never true D. True subject to some conditions
1506	A nation wishing to reduce its current account deficit would be advised to.	A. Engage in more government spending. B. Reduce government taxes C. Increase private investment spending D. Decrease domestic consumption spending
1507	Resources in an economy	A. Are always fixed B. Can never decrease C. Always increase over time D. Are limited at any moment in time
1508	The allocation of resources is not efficient if	A. The marginal cost of production does not equal society marginal benefit B. The distribution is inequitable C. Economic growth is low D. Unemployment is high
1509	Pakistan place in the world area size in _____ number.	A. 4th B. 5th C. 6th D. 7th
1510	The ancient Greek philosopher who tried to analyze isolated exchange because markets with standardized products were relatively rare during his time was.	A. Plato B. Aristotle C. Euclid D. Protagoras
1511	The negative relationship between unemployment and inflation is known as the	A. Aggregate supply curve B. Aggregate demand curve C. Phillips curve D. Efficiency wage line
1512	As the price of a good increases, the change in the quantity demanded can be shown by	A. Shifting the demand curve leftward B. Shifting the demand curve rightward C. Moving down along the same demand curve D. Moving up along the same demand curve

1513	Which does the government not control directly.	A. Spending on health B. spending on defense C. Firm's investment decisions D. spending on education
1514	When considering any kind of economics indicator, prices are important because.	A. They reflect the value of goods and services. B. They are established by the government to control population 's needs C. They categorize goods and services by their weight D. Historically they have proved to the good predictors of futures unemployment.
1515	The abolition of income tax would probably _____ the number of workers in employment and _____ the equilibrium. rate of unemployment.	A. increase ; decrease B. increase ; increase C. reduce ; increase D. reduce ; reduce
1516	Scarcity means that	A. We cannot have everything that we might want B. We have to make choices between the things we desire. C. There are costs to just about any activity we undertake D. We must give up some thing in order to obtain other things. E. All of the above are correct
1517	What is the level of savings for disposable income = Rs.5,000 if dissaving's of 50 occur at a disposable income of Rs.0 and a marginal propensity to save equal to 0.257	A. Rs. 1.25 B. Rs.1.125 C. Rs.1,200 D. Rs.1,100
1518	$(A+B) = (B+A)$ this law of matrices is known as.	A. Cumulative law B. Associative law C. Distributive law D. Identity law
1519	A monopolist will maximize profit.	A. Where total revenue is maximized B. Where the slope of the total revenue function equals the slope of the total cost function C. Where average cost is at a minimum D. Where all the above are ture
1520	Economic theory assumes that people	A. Act in greedy and selfish ways, without regard for the welfare of others. B. Act without regard for their own interests. C. Are not motivated by self interest D. Are motivated by self interest but still might be concerned for the welfare of others.
1521	Over a two year period your income has increased 10% At the same time the consumer price index has increased 205 Your real purchasing power is.	A. 92% of the original value B. 50% of its original value C. Not affected by the price change D. 109% of its original value
1522	The Marginal cost of product W exhibiting positive externalities is $McW = 25 + 5 Q_s$, the competitive price for each unit of W (P_w) is Rs. 175 and the positive externality is worth Rs. 100 to society for each unit produced. Society considers product W under produced by how many units.	A. 10 Units B. 15 Units C. 20 Units D. 5 units
1523	Duopoly is a market situation when there is	A. Single seller B. Many seller C. Two seller D. Few seller
1524	Those who argue in favor of import protection generally give the impression that such restricted trade will.	A. Decrease the level of national security B. Provide benefits to some particular industry C. Provide benefits to the entire nation D. Not yield welfare losses for the nation
1525	The costs of disinflation would be low if	A. Expected inflation falls as inflation falls B. Wages and price controls were used C. The Phillips curve were nearly

		horizontal D. The Phillips curve adjusted slowly to changes in inflation
1526	By controlling the monetary base economists mean	A. Controlling the money multiplier B. Restricting the amount of cash in circulation C. Not allowing commercial banks to issue notes and coins D. making banks keep a certain % of their assets as M0
1527	Current account deficits are offset by	A. Merchandise trade deficits B. Merchandise trade surpluses C. Capital /financial account surpluses D. Capital /financial account deficits
1528	The price elasticity of demand will increase with the length of the period to which the demand curve pertains because.	A. Consumers incomes will increase B. The demand curve will shift toward C. All prices will increase over time D. Consumers will be better able to find substitutes
1529	In singular sense 'Statistics' is considered as.	A. Statistical data B. Statistical methods C. Both a and b D. None of these
1530	A variable which is free to take any value we choose to assign to it is called.	A. Dependent variable B. Independent variable C. Endogenous variable D. Explained variable
1531	The nation, that, following currency depreciation, the balance of trade falls for a while before increasing is called a _____ effect.	A. Relative price B. Elasticity C. J- Curve D. Pass through
1532	Objectivity means basing conclusion on facts wit out any	A. Bias and value prediction B. Bias and value judgment C. Verifiability and value judgment D. Prediction
1533	Which exchange rate system does not require monetary reserves for official exchange rate intervention.	A. Floating exchange rates B. Pegged exchange rates C. Managed floating exchange rates D. Dual exchange rates
1534	Money must fulfill all of the following functions except.	A. Be a medium of exchange B. Be a store of value C. Be generally accepted as a means of purchasing commodities D. The above are all functions of money
1535	Which of the following are function of inferential statistic.	A. Estimation B. Testing of hypothesis C. both a and b D. None of these
1536	In a competitive industry each buyer and seller.	A. Is a price taker B. Produce different products C. Believes that can influence price D. Prevents the entry of competitors
1537	The demand for labor is the same as the	A. Marginal revenue product B. Marginal physical product C. Marginal cost D. Wage
1538	A scarce good.	A. Does not exist B. Is a good that can only be purchased with money C. Is a good that can never be purchased with money D. Is a good that is available in limited quantities, but is desired in greater quantities.
1539	Given the demand function $q_D = -8p + 2000$ and tis inverse $p = -1/8 q_D + 250$,p in the inverse function which is interpreted as the maximum price that buyers are willing to pay for the.	A. Supply price B. Demand price C. Equilibrium price D. Reserved price
1540	Which of the following correct about firms in an oligopoly	A. Each firm has complete control over its own selling price B. All firms independently charge monopoly prices

1540	Which of the following is correct about firms in an oligopoly.	C. No one firm controls price but each has an influence on the price D. There is no competition in oligopoly industries
1541	The determinant of a matrix and that of its transpose are	A. Equal B. Zero C. One D. Negatively related
1542	An intensive study of particular case is.	A. Content analysis B. Case study C. Research design D. intensive study
1543	In 1950's special imporant was given to	A. Industrial sector B. Services sector C. Imports sector D. Agricultural sector
1544	The overall Budget Deficit is financed from	A. External borrowing B. Non bank borrowing domestically C. Bank borrowing plus the above two at a and b D. None of the above
1545	At the intersection of AD and AS equilibrium is achieved in.	A. The goods market B. The money market C. The labour market D. All of the above
1546	"Treating an individual as typical a group" is the definition of.	A. Pure dissemination B. Statistical discrimination C. Human capital D. Specific skills
1547	The socially optimal rate of growth is	A. Zero B. Negative C. Where the marginal social benefit the marginal social cost D. total social costs are minimized
1548	Factors that cause the IS curve to shift include.	A. Changes in autonomous consumer spending B. Changes in government spending C. Changes in investment spending related to business confidence D. All of the above
1549	What is the period of Rabi Seasons.	A. Oct -Dec to April - May B. May -June , to July - Aug C. Oct - Nov to April -June D. January -Mar, to April -May
1550	Observation ,t he observer have been old specifically what is to be observed.	A. Structured B. Discussed C. Controlled D. Participated
1551	Since 1960, the rate of economic growth in the country has been	A. On the decline continuously B. Increasing continuously C. Increasing occasionally D. Static in real terms
1552	If A and B are symmetric matrix, then AB- BA is.	A. Symmetric B. Skew symmetric matrix C. Idempotent matrix D. Orthogonal matrix
1553	If demand increase in a market this will usually lead to.	A. A higher equilibrium price and output B. a lower equilibrium price and higher output C. A lower equilibrium price and output. D. A higher equilibrium price and lower output
1554	Which trade policy results in the government levying both a specific tariff and an advalorem tariff on imported goods.	A. Compound tariff B. Nominals tariff C. Effective tariff D. Revenue tariff
1555	Which of the following represents monetary policy geared to increases the supply of money.	A. The purchase of bonds by the Federal Reserve Bank B. The sale of bonds by the Central Bank C. An increase in reserve requirement D. An increase in the discount rate

		D. A decrease in taxes
1556	GDP per head may be an imperfect measure of economic welfare because it excludes.	A. The value of leisure B. Externalities C. Untraded goods D. All of the above
1557	Economics is the study of	A. Production technology B. Consumption decisions C. How society decides what how and for whom to produce D. The best way to run society
1558	Which industrialization policy have developing countries used which places emphasis on the comparative advantage principle as agreed to resource allocation.	A. Export promotion B. Import substitution C. International commodity agreements D. Multilateral contracts
1559	The main cause of different relative costs between countries are.	A. Relative factors competition B. Relative factor mobility C. Relative factor substitution D. Relative factor endowments
1560	As the interest sensitivity of investment spending increase.	A. Monetary policy has a larger effect on output B. Fiscal policy has a larger effect on output C. The multiplier increases D. All of the above
1561	The reason that only final sales are counted in GDP is	A. To avoid double counting good that are sold so as to be resold B. To not count production in other countries C. Because the government can't get records on intermediate sales. D. To simplify the computation and no other reason
1562	Which is the most volatile component of aggregate demand.	A. Net exports B. Consumption C. Investment D. Government spending
1563	Relation with other aspect of research creates.	A. Values related problem B. Ethical problem C. Personal prejudice and bias D. Moral dilemmas
1564	The asset market approach a more helpful in explaining.	A. why exchange rates remain quite stable B. Why governments change their money supplies. C. Long term exchange rate movement. D. Short term exchange rate movement.
1565	If the price in a market is fixed by the government below equilibrium.	A. There is excess equilibrium B. There is excess supply C. There is excess demand D. There is equilibrium
1566	When investment is assumed to autonomous the slope of the AD schedule is determined by the.	A. Marginal propensity to invest. B. disposable income C. Marginal propensity to consume D. Average propensity to consume E. <ul style="list-style-type: none">
1567	Taxes create a wedge between the sales price and purchase price that prevents the price system equaling _____ and	A. Marginal costs, marginal benefits B. Demand, supply C. Marginal cost, marginal revenue D. Marginal cost, average cost
1568	If the original money supply is M _{So} and the original demand for money is M _{Do} then	A. The equilibrium interest rate and savings are 5% and 50 B. The money supply is 200 and equilibrium income is 500 C. The equilibrium interest rate and income are 5% and 600 D. The speculative demand is 25
1569	The welfare effect of a quota depend to a considerable extent upon.	A. Who has the quota license B. The size of the quota C. Elasticities of domestic demand and supply D. All of the above

1570	When the marginal propensity to consume is 0.75 the multiplier has a value of.	A. 4 B. 5 C. 3 D. 2
1571	Which of the following changes shifts the SRAS curve down.	A. An increase in the labor force B. An increase in the money supply C. A decrease in government purchases D. A decrease in firms costs
1572	A higher GDP per capita may not mean that the quality of life has really improved because.	A. It measures wealth not income B. It measures Gross Domestic product C. It does not measure the quality of the items produced D. it is only measured every five years
1573	The single European Act committed_ governments to a ____ in 1992	A. European union, single market B. Western European, single currency area C. European union, single currency area D. Western European, single market
1574	A competitive firms demand curve is.	A. Horizontal B. Vertical C. Down ward sloping D. Fairly elastic
1575	An increase in price causes an increase in total revenue when.	A. Demand is elastic B. Demand is inelastic C. Demand is unit elastic D. All of the above are possible
1576	A market demand curve can be derived by adding all the individual demand curves	A. Vertically B. Horizontally C. In parallel D. Any of the above as long as it is consistent
1577	In closed economic model aggregate demand is not sensitive to.	A. Interest rates B. Exchange rates C. Price level D. Tax policy
1578	Small nations whose trade and financial relationships are mainly with a single partner tend to utilize.	A. Pegged exchange rates B. Freely floating exchanged rates C. Managed floating exchange rates D. Crewing exchange rates.
1579	If A, B, C and D are any four market baskets, and if the consumer has ranked them so that D is preferred to C, A is not preferred to B, and B is not preferred to c then.	A. A is preferred to C B. A is preferred to D C. B is preferred to D D. D is preferred to A
1580	A demand curve that is an equilateral hyperbola is.	A. Perfectly elastic B. Relatively elastic C. Unit elastic D. Relatively inelastic
1581	According to the Heckscher - Ohlin model	A. ^{Every one automatically gains from trade} B. The gainers from trade out number the losers from trade C. The scarce factor necessary gains from trade D. None of the above
1582	When equilibrium in the money and goods markets occurs at a rate of interest below the BP schedule internal and external equilibrium for the United States can he achieved by.	A. Expanding the U.S. money supply B. Increasing government spending C. Increasing taxes D. Lowering interest rates in the united states.
1583	Depreciation is.	A. A decrease in the stock of capital B. Gross investment C. Net investment D. An increases in the stock of capital
1584	The least common type of transaction in the foreign exchanges is a.	A. Forward transaction B. Spot transaction C. Swap transaction D. None of the above
1585	import substitution is the replacement of _____ by domestic production under the protection of.	A. exports, subsidies B. Exports, patents C. imports, high tariffs or import quotas D. None of the above

		<p>quotes</p> <p>D. Imports, subsidies</p>
1586	Which of the following was a belief shared by utopian and scientific socialists.	<p>A. The labor of the middle class determines the value of a product</p> <p>B. Class struggle is the necessary means to achieve social change</p> <p>C. Private property should be abolished</p> <p>D. History is determined by economic laws</p>
1587	If marginal product is below average product.	<p>A. The total product will fall</p> <p>B. The average product will fall</p> <p>C. Average variable costs will fall</p> <p>D. Total revenue will fall</p>
1588	Which is refers to any collection of specified group of human beings.	<p>A. Sampling</p> <p>B. Random sampling</p> <p>C. Non probability sampling</p> <p>D. Population</p>
1589	In the UK in recent years, union membership has _____ and days of work lost because of strikes has.	<p>A. Grown, declined</p> <p>B. declined, declined</p> <p>C. declined, grown</p> <p>D. grown , grown</p>
1590	It takes place with persons known to have been involved in particular concrete situations.	<p>A. Personal interview</p> <p>B. Depth interview</p> <p>C. Focused interview</p> <p>D. Repeated interview</p>
1591	Disposable income is equal to.	<p>A. National income</p> <p>B. National income minus taxes plus transfers</p> <p>C. Real GDP</p> <p>D. National income Minus taxes</p>
1592	The application of the trickledown effect policy in 1960s was resulted in.	<p>A. Increase income disparity</p> <p>B. Increase income poor</p> <p>C. Decrease income disparity</p> <p>D. Equal distribution of income</p>
1593	A monopoly market.	<p>A. Generally falls to maximize total economic well being.</p> <p>B. Always maximizes total economic well being.</p> <p>C. always minimizes consumers surplus</p> <p>D. Generally falls to maximum produce surplus</p>
1594	In Pakistan income tax is	<p>A. progressive tax</p> <p>B. Proportional</p> <p>C. Direct</p> <p>D. A and c of above</p>
1595	In August _____ the government established a working group on private investment for the Eight Five Year plan 1993-98	<p>A. 1989</p> <p>B. 1990</p> <p>C. 1991</p> <p>D. None of these</p>
1596	"Far better for central bankers to get out of the fine tuning business instead they should d try to keep.	<p>A. Taxes low</p> <p>B. Budgets balanced</p> <p>C. Money growth low</p> <p>D. Government spending in check</p>
1597	Keynes owes the concept of multiplier to	<p>A. Pigou</p> <p>B. Marshall</p> <p>C. R.F.Khan</p> <p>D. MARX</p>
1598	The limit of an economy's total productive capacity at any given time is set by	<p>A. The amount of money in circulation</p> <p>B. Business demand for goods and services</p> <p>C. The level of government spending and taxation</p> <p>D. the quantity and quality of its productive resources</p>
1599	According to classical economists the economy.	<p>A. Requires fine tuning to reach full employment</p> <p>B. Should not be left to market forces</p> <p>C. Will never be at full employment</p> <p>D. Is self correction</p>
		<p>A. Less of the good and more of its substitutes</p> <p>B. More of that good and less of its</p>

1600	As the opportunity cost of a good falls, ceteris paribus the substitution effect implies that people buy	<p>substitutes</p> <p>C. Less of that good and less of its substitutes</p> <p>D. More of that good and more of its substitutes</p>
1601	When plotted with the aggregate price level on the vertical axis and output on the horizontal axis which of the following curves is vertical.	<p>A. SRAS</p> <p>B. AD</p> <p>C. LRAS</p> <p>D. None of the above</p>
1602	If the same amount is added to or subtracted from all the values, standard deviation shall be.	<p>A. Changed</p> <p>B. Unchanged</p> <p>C. Both</p> <p>D. None</p>
1603	What does ceteris paribus mean.	<p>A. "Scientific method"</p> <p>B. "Rational thinking"</p> <p>C. "Other things remaining the same"</p> <p>D. "There is no such thing as a free lunch"</p>
1604	Equilibrium in the money markets can be expressed by the equation $i = 9k/h$ $Y = M/h$. The slope of LM decrease when	<p>A. k increases and h increase</p> <p>B. k increases and h decrease</p> <p>C. k decrease and h increase</p> <p>D. k decrease and h decrease</p>
1605	Pure research is focused to collect knowledge without any intention to.	<p>A. Find it</p> <p>B. Formulation</p> <p>C. Observe it</p> <p>D. apply it</p>
1606	A rise in the price of bond causes the yield of the bond to.	<p>A. Rise</p> <p>B. Fall</p> <p>C. Remain unchanged</p> <p>D. Rise if it's a short term bond, fall if it's a long term bond</p>
1607	Local correspondent's method can be applied only where a high degree of precision is not.	<p>A. Case</p> <p>B. Necessary</p> <p>C. Interview</p> <p>D. Nailed</p>
1608	At any given level of the interest rate expectations are likely to be _____ optimistic and planned investment is likely to be _____ when _____ is growing rapidly than when it is growing slowly or falling.	<p>A. Less ; higher ; output.</p> <p>B. more ; higher ; output</p> <p>C. less ; lower ; unplanned investment</p> <p>D. more ; lower ; unplanned investment</p>
1609	According to Nurkse a balance growth a necessary to.	<p>A. Develop resources</p> <p>B. Develop capital</p> <p>C. Break vicious circle of poverty</p> <p>D. Develop infrastructure.</p>
1610	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>
1611	The law of diminishing returns assumes.	<p>A. There are not fixed factors of production</p> <p>B. There are no variable factors of production</p> <p>C. Utility is maximized when marginal product falls.</p> <p>D. Some factors of production are fixed</p>
1612	The retail price index is used to.	<p>A. Construct price lists</p> <p>B. Compare shop prices</p> <p>C. Measure changes in the cost of living</p> <p>D. None of the above</p>
1613	The situation in which the imports are greater than exports is termed as.	<p>A. Trade surplus</p> <p>B. Trade deficit</p> <p>C. Budget surplus</p> <p>D. None</p>
1614	If Federal reserve conducts open market sales, the money supply ____ shifting the LM curve to the ____	<p>A. decreases ; right</p> <p>B. decreases ; left</p> <p>C. Increases ; right</p> <p>D. Increase ; left</p>
1615	A politician proposes reducing business taxes, a move she says will encourage risk taking	<p>A. An increase in aggregate supply</p>

1615	entrepreneurship His proposed cut in business taxes is intended to stimulate the economy mainly through.	B. A decrease in aggregate supply C. A decrease in aggregate demand D. An increase in aggregate demand
1616	The same graph shows that the firm order to maximize profits , should produce.	A. 30 units charges a price of Rs. 16 B. 20 Units and charge a price of Rs. 22 C. 35 Units and charge a price of Rs. 12 D. 38 units and charge a price or Rs. 10
1617	An asset with zero carrying costs and a present value of Rs.50,000 will return continuous annual yield of Rs.5000 if the current and future rate of interest is.	A. 5% B. 8% C. 10% D. 3%
1618	"Some economists criticized the central bank for not moving in the face of the waning recovery One who prefers anonymity stated the failure to move today leaves us with low inflation a weak economy and climbing jobless claims these are classic signs of an impending downturn The fed fiddles while the economy burns This economist would want to see.	A. A higher interest rate B. A higher reserve requirement C. a decrease in the money supply D. An increase in the money supply
1619	The MPS = 0.4 and government spending increases by 20 billion. The LM curve	A. Shifts to the right by 20 billion B. Shifts to the right by 50 billion C. Does not shift D. shifts to the left by 30 billion
1620	An exceptional demand curve is.	A. Vertical B. Horizontal C. Downward sloping D. Positive slope
1621	If average variable cost is less than marginal cost then certainly.	A. Per unit total cost is rising B. Per unit total cost is constant C. Per unit total cost is falling D. Per unit variable cost is rising
1622	Lower interest rates are likely to.	A. Decrease consumption B. Increase cost of borrowing C. Encourage saving D. Increase spending
1623	Similar to import tariffs import quotas tend to result in.	A. Higher prices and reduced imports B. Increased government revenue C. Increases consumer surplus D. Decreased producer surplus
1624	When we refer to the hidden economy we mean unrecorded income owing to.	A. Tax evasion B. Poor statistics C. The lags between statistical collection and publication . D. Smuggling
1625	After a temporary beneficial supply shock hits the economy general equilibrium is restored by	A. A shift down and to the left of the IS curve B. A shift to the left of the FE line C. A shift up and to the left to the LM curve D. A shift down and to the right of the LM curve
1626	If a country has a burden of debt it cannot sustain it can.	A. Reschedule debt B. Get a loan from an international organization C. Default on the loan D. Any of the above
1627	What makes economics scientific.	A. It tests theories against observations and modifies the theories if needed. B. It uses numbers to measure things C. It involves the use of experiments D. It is a description of how things work
1628	Nearly _____ of land is cultivated through tube wells, ponds and rain water.	A. 25% B. 45% C. 15% D. 35%
1629	When the price of foreign currency the exchange is above the equilibrium level.	A. an excess supply of that currency exists in the foreign exchange market. B. an excess demand for that currency exists in the foreign exchange market C. The supply of foreign exchange shifts outward to the right D. the supply of foreign exchange shifts backward to the left

1630	When the stock market a rising it is called.	A. Bearish B. Bullish C. Perfect competition D. Rising up
1631	A firm that is a price taker faces a perfectly	A. Elastic supply curve B. Inelastic demand curve C. Elastic demand curve D. In elastic supply curve
1632	When total utility becomes maximum then marginal utility will be.	A. Minimum B. Average C. Zero D. Negative
1633	Equilibrium price is a price at which	A. Quantity demanded is equal to quantity supplied B. Quantity demanded minus quantity supplied is zero C. quantity demanded = quantity supplied D. All of these
1634	What does statistics of distribution indicates.	A. Consumer preference B. Strength of the desire of people C. Wealth of nation D. Economics conditions of people
1635	Division of labor is made according to the size of market is the view of	A. M.P.Todaro B. Leibstein C. Rostow D. Adam smith
1636	What is the share of rural population in the total population of Pakistan.	A. 61.8 % B. 67.5% C. 59.6% D. 74.8%
1637	Labour has the following characteristics accept one.	A. It cannot be separated form labourer B. It cannot be stored C. Its supply cannot be increase at once D. Bargaining power of laborer is very strong
1638	With no government and foreign trade sectors savings always equals.	A. Intended investment B. Realized investment C. Both a and b D. None of these
1639	Sales taxes are generally considered to be.	A. Proportional taxes B. Regressive taxes C. Progressive taxes D. Indirect taxes
1640	The research is a systematic gathering of information among individuals and collectives.	A. Case study B. Survey C. Content analysis D. Census Report
1641	Identification with nature is the grounding	A. Bio centism B. Deep ecology C. Anthropocentrism D. Holism
1642	Substance forming is found in	A. South Asia B. Central Africa C. Both a and b D. None of these
1643	"Treating an individual as typical of a group.	A. Pure discrimination B. statistical discrimination C. Human capital D. Specific skills
1644	Which method is used for finding inverse of a matrix.	A. Gauss elimination method B. Henrich standard method C. Co factor method D. Both a and c
1645	Which of the following is the second law of gossen.	A. Law of equal marginal utility. B. Law of equi product C. Theory of indifference curve D. Law of diminishing marginal utility.
		A. Contractionary bias B. Disinflation

1646	A Political problem with discretionary fiscal policy is the.	B. Big state bias C. Expansionary bias D. Over reaction bias
1647	Assuming that money is neutral an increase in the nominal money supply would causes.	A. An excess supply for goods B. an increase in the real money supply C. A fall in the price level D. A rise in nominal wages
1648	Compared to the case of perfect competition.	A. Monopolist is more likely to B. Charge a higher price C. Produce a lower quantity of the product D. All of the above
1649	Real GNP measures income	A. Including non market activities B. Adjusted for inflation C. Including externalities D. Including tax evasion
1650	An IOU of the Federal Reserve Bank of San Francisco to Bank of America is called.	A. Discourse B. Federal funds C. Reserves D. Collateral
1651	A reduction in the money supply is likely to	A. Reduce interest rates B. Increase the interest rate C. Increase inflation D. Decrease deflation
1652	if in a matrix , the number if rows is the same as the number of columns, it is called.	A. Singular matrix B. Non singular matrix C. Square matrix D. Column vector
1653	In the mid 1960's agricultural scientists developed high yielding varieties of.	A. Rice and Wheat B. Rice and Cotton C. Coffee, rubber D. None of these
1654	Aggregate output and the interest rate are _____ related to government spending and are ____ related to taxes.	A. Positively ; positively B. Positively ; negatively C. negatively ; positively D. negatively ; negatively
1655	If the money supply change was correctly and fully anticipated for a change of M to M1 new classical macroeconomics under the assumption of rational expectations would predict a movement from.	A. Pont Eo to point E1 B. Pont Eo to point E2 C. Pont Eo to point E3 D. Pont E3 to point E2
1656	Indifference curve has following characteristics except.	A. Convex to origin B. Intersect each other C. Not necessary to be parallel D. None of these
1657	Quotas are government imposed limits on the ____ of goods trade between countries.	A. Prices B. Quantity C. Revenue D. Costs
1658	The percentage change in the quantity demanded in response to a percentage change in the price is known as the.	A. slope of the demand curve B. Excess demand C. Price elasticity of demand D. All of the above
1659	There are _____ basic economic activities.	A. 2 B. 3 C. 4 D. 5
1660	Labour productivity measures.	A. The output per worker B. The output per machine C. Total output D. Marginal output
1661	Profit is measured by	A. Revenue - Fixed costs B. Fixed cost + revenue C. Revenue - sales D. Revenues - total costs
1662	If government regulations prohibit the production of a particular good the demand curve for that good will most likely.	A. Shift leftward B. Shift rightward C. Remain unchanged D. Disappear
1663	An increase income will	A. Lead to a movement along the demand curve B. Shift the supply curve C. Shift the demand curve

		<p>C. Shift the demand curve</p> <p>D. Lead to an extension of demand</p>
1664	The effects of inflation on the price competitiveness of a country's products may be offset by	<p>A. An appreciation of the currency</p> <p>B. A revaluation of the currency</p> <p>C. A depreciation of the currency</p> <p>D. Lower inflation abroad</p>
1665	Zakat is an important feature of Islamic economics system which is given from	<p>A. Poor to rich</p> <p>B. Producers to consumers</p> <p>C. Banks to people</p> <p>D. Rich to poor</p>
1666	If a firm not operating at the output necessary to achieve all scale economies it has not achieved its.	<p>A. Efficient scale</p> <p>B. Average efficient scale</p> <p>C. Maximum efficient scale</p> <p>D. Minimum efficient scale</p>
1667	Time lags which often erode effectiveness of monetary and fiscal policy measures represent.	<p>A. The change in export and import price.</p> <p>B. Delays in the response of the economy to stabilization policy.</p> <p>C. The foreign response to price changes</p> <p>D. The change in exchange rates</p>
1668	Skills that can be transferred to other employers are called	<p>A. General skills</p> <p>B. Specific skills</p> <p>C. Non pecuniary skills</p> <p>D. None of these</p>
1669	_____ is said to exist when the formation of a regional trading group leads to the reduction of trade with nonmember countries in favor of member countries.	<p>A. Trade creation</p> <p>B. Trade diversion</p> <p>C. Trade exclusion</p> <p>D. Trade distortion</p>
1670	A possible use in economics for the circle of the ellipse is to model.	<p>A. Production possibility curve</p> <p>B. Demand curve</p> <p>C. Iso-cost line</p> <p>D. Supply curve</p>
1671	The long term demand for real money balance will rise when	<p>A. the income elasticity of the demand for money is less than unity.</p> <p>B. There is a long term increase in the price level</p> <p>C. There is a relative increase in the stock of government securities.</p> <p>D. Long term market interest rates are falling.</p>
1672	Firms in perfect competition face a	<p>A. Perfectly elastic demand curve</p> <p>B. Perfectly inelastic demand curve</p> <p>C. Perfectly elastic supply curve</p> <p>D. Perfectly inelastic supply curve</p>
1673	In Islamic economic system following means of gaining wealth are permitted	<p>A. smuggling</p> <p>B. Hoarding</p> <p>C. Gambling</p> <p>D. None of these</p>
1674	Based on the data above, the increase in potential MI would be	<p>A. Rs.50 billion</p> <p>B. Rs.300 billion</p> <p>C. Rs.60 billion</p> <p>D. Rs.100 billion</p>
1675	The term of trade in Pakistan remained unfavorable regarding.	<p>A. Industrial sector</p> <p>B. Services sector</p> <p>C. Agricultural sector</p> <p>D. All of these</p>
1676	A combination of labour and capital where the cost of an output is minimized is called.	<p>A. Optimum factor combination</p> <p>B. Good combination</p> <p>C. Least combination</p> <p>D. Substitutes combination</p>
1677	If there is a price floor there will be.	<p>A. Shortages</p> <p>B. Surpluses</p> <p>C. Equilibrium</p> <p>D. All of these</p>
1678	In market economics the incentive that draws entrepreneurs into industry is.	<p>A. Government bonuses for meeting production quotas</p> <p>B. Profit</p> <p>C. Government assumption of the risk of failure</p> <p>D. Government assistance with making output and pricing decisions</p>
	How much of the Rs.5 billion dollar increase in government expenditures will be recovered in	<p>A. Rs.1 billion</p> <p>B. Rs.2 billion</p>

1679	How much of the Rs.5 billion dollar increase in government expenditures will be recouped in taxes.	B. Rs.2 billion C. Rs.0.9 billion D. Rs.0.5 billion
1680	"Human Welfare is the subject of Economics" Y. This statement is associated with the name of which of the economists.	A. Marshall B. Pigou C. Pension D. All of the above
1681	Loss must be shared according to ratio of respective investment in case of.	A. Musharika B. Hire purchase C. Mudaraba D. All of these
1682	If as result of householder wish to save more there is a change in equilibrium income and no change in equilibrium saving this as an example of.	A. Market imperfection B. The law of diminishing returns C. The paradox of thrift D. Market failure
1683	Other things equal a decrease in autonomous consumption shifts the _____ curve to the	A. IS ; RIGHT B. IS ; Left C. LM ; Left D. LF ; Right
1684	In the ISLM framework an expansionary monetary policy causes aggregate output to _____ and the interest rate to	A. increase ; increase B. Increase ; decrease C. decrease ; decrease D. decrease ; increase
1685	When all of the debit or credit items in the balance of payments are combined	A. Merchandise imports equal merchandise exports B. Capital imports equal capital exports C. Services exports equal service imports D. the total surplus or deficit equals zero
1686	When supply increases in an agricultural market farmer's earnings might fall because.	A. Supply is price elastic B. Demand is price inelastic C. the government buys up all the excess production D. All output must be sold at a maximum price
1687	A fall in interest rates is likely to	A. Increase aggregate demand B. Increase savings C. Decrease consumption D. Decrease exports
1688	The total utility of the third unit of product x is.	A. 10 B. 5 C. 23 D. 38
1689	If a country has linear production possibilities frontier than production is said to be subject to.	A. constant opportunity costs B. Decreasing opportunity costs C. First increasing and the decreasing opportunity costs D. Increasing opportunity costs.
1690	Which of the following taxes is regressive.	A. The Federal income tax B. The state income tax C. The sales tax D. The Medicare tax
1691	The very word statistics refers to.	A. State craft B. Science of state C. Political state D. Political craft
1692	Ahmed uses dummy variables in order to determine the monthly seasonal effect in her regression model. The number of dummy variables used will be.	A. 5 B. 11 C. 12 D. 1
1693	Nationalization occurs when	A. The government bans a product B. The government takes control of an industry C. the government taxes a product to a raise the price. D. The government taxes a product to a raise its price.
1694	Rate of growth of an economy is measured in terms of	A. Per capita income B. industrial development C. Number of people who have been lifted above the poverty line D. National income

1695	In the UK mergers can be referred to the competition commission of they create a firm with _____ of the market.	A. 15% B. 20% C. 25% D. 30%
1696	The ratio of debt to GDP will be larger	A. The lower the real interest rate B. The lower the growth rate of output C. The lower the in initial debt ratio D. The lower the ratio of the primary deficit to GDP
1697	Disposable income is.	A. Income less taxes B. Income less direct taxes C. income less indirect taxes D. All of these
1698	A decrease in the quantity of money supplied shifts the money supply curve to the _____ and the equilibrium interest rate	A. right ; fall B. right ; rises C. left ; falls D. left ; rises
1699	Qara -e- Hasna is normally payable to.	A. Needy persons B. Poors C. Helpless D. All of these
1700	A tax of 20 cents per unit of imported cheese would be an example of a	A. Compound tariff B. Effective traiff C. Ad valorem tariff D. Specific tariff
1701	Similar to import tariffs, import quotas tend to result in.	A. Higher prices and reduced imports B. Increasedes government revenue C. Increased consumer surplus D. Decrease producer surplus
1702	An increase labor supply would cause the IS curve to.	A. Shift up and to the right B. Shift down and to the left C. Remain unchanged D. Shift up and to the right only if people face borrowing constraints
1703	According to the permanent income hypothesis all increases in .	A. Permanent income are saved B. Permanent income are consumed C. transitory income are saved D. Transitory income are consumed
1704	Polices to reduce unemployment by reducing union power tax cut reduction is unemployment benefit and investment. subsidies are examples of.	A. Keynesian polices B. Supply side policies C. Monetarist policies D. Classical policies
1705	Developing economics usually have	A. Low GDP per capita B. Low CPI C. Large balance of payments surpluses D. Large budget surpluses
1706	Application of Modern technology to increase the yield is due to	A. Subsistence farming B. Mechanization C. Green revolution D. None of these
1707	A widely used indicator to differentiate developed countries from developing countries is.	A. International trade per capita B. Real income per capita C. Unemployment per capita D. Calories per capita
1708	Money's primary role in the economy comes from the benefits of lowering transactions costs and allowing specialization This function of money is called.	A. Store of value B. Medium of exchange C. Standard of deferred payment D. Unit of account
1709	Immediately after a through we would expect to have al	A. Peak B. Recession C. Recovery D. Another trough
1710	If a good has a lot of substitutes, then its demand is.	A. Elastic B. Inelastic C. Unit elastic D. Elastic or inelastic depending on whether the price is increasing or decreasing
1711	in large scale industry 46% share is contributed by	A. Textile industry B. Cement industry C. coal industry D. Steel and iron industrv

1712	A matrix with all elements zero other than all the diagonals is called.	A. Diagonal matrix B. Orthogonal matrix C. Unit matrix D. Column vector
1713	"Income inequality can be high in the free market and should be reduce ".This is an example of what.?	A. Judicial economic statement. B. Positive economic statement C. Formative economic statement D. Normative economic statement
1714	Of the following the thinkers who viewed markets most favorably and who would consequently have been least likely to condemn payments of interest as immoral or unjustified by productivity would have been.	A. Richard Cantillon and Francois Quesnay B. Aristotle and Plato C. Thomas Aquinas and Albertus Magnus D. Ibn kaldur and Bu Hamid al ghazali
1715	Equilibrium occurs in a two sector model when	A. Saving equals investment. B. Consumption plus investment equals the value of output C. Planned saving equals planned investment. D. Aggregate spending equals the revenues of the business sector
1716	Which of the following is a component of M1.	A. Saving deposit B. Credit card C. Checkable deposit D. Gold
1717	According to the quantity theory of money an increase in the money supply is most likely to lead to inflation if	A. The velocity of circulation decreases B. The number of transactions decreases C. There is deflation D. The velocity of circulation and the number of transactions is constant
1718	In Kaldor model saving income ratio in the growth process is considered.	A. Constant B. Positive C. Variable D. Negative
1719	Which of the following is an example of government policy that could reduce inflation.	A. Increasing bank lending B. increasing import duties C. Reducing government expenditure D. Reducing direct taxation
1720	Equilibrium is defined as a situation in which.	A. Neither buyers nor sellers want to change their behavior B. No government regulations exist C. Demand curves are perfectly horizontal D. suppliers will supply and amount that buyers wish to buy
1721	The aggregate demand curve shows the combinations of output and the price level that put the economy on.	A. The FE line and the IS curve B. The FE line The IS curve and the LM curve C. The IS curve D. The IS curve and the LM curve
1722	Which of the following macro economic variables is procyclical and coincident with the business cycle.	A. Residential investment B. Nominal interest rates C. Industrial production D. Unemployment
1723	in UDCs a potential resource of saving is	A. Structural unemployment B. Over employment C. Domestic saving D. Disguised unemployment
1724	An increase in the rate of inflation which is not accompanied by any change in the volume of consumer goods sold will automatically increase the.	A. Revenue from value added tax B. Level of company profits C. Level of unemployment D. Average level of wages
1725	The set of subsets of a set A is called.	A. Power set of A B. Complement of A C. Both a and b D. None of these
1726	In an economy, measuring total value (1) added, total value(2) spending on final goods and 3 total factor earning gives the result that.	A. $3 > 2 > 1$ B. $3 = 2 > 1$ C. $3 < 2 < 1$ D. Any measure can be larger or smaller than any other

1727	Budget 2012 -2013 total volume is Rs. _____ billion.	A. 2,560 B. 2.960 C. 2.760 D. Noe of these
1728	Over human interruption in nature will cause.	A. Disorder B. Calmness C. Order D. None of these
1729	The movement of disguised unemployment is.	A. integrating factor B. Social factor C. push and pull factor D. All of these
1730	An efficient economy is an economy	A. In which output is steady or growing and there is low inflation B. That produces what consumers demand and does so at the least possible cost. C. that distributes output equally among all consumers D. In which there is a fair distribution of wealth.
1731	Demand for labour is more likely to be wage inelastic if.	A. Wages are a small proportion of total costs B. Demand for the final product is price elastic C. It is easy to replace labour D. Capital is a good substitute forlabour
1732	In a fixed exchange rate regime, the central bank will intervene by __ pounds to _____ the exchange rate.	A. Selling, increase B. buying , increase C. selling, reduce D. both b and c
1733	The study which wants to determine the frequency of occurrence of an event of its association with something.	A. Descriptive B. Explorative C. Formulate D. Diagnostic
1734	The risk free rate of interest would not be affected by.	A. Changes in real output B. Change in the money supply C. Term to maturity D. None of the above
1735	A feasible effect of international trade is that a	A. Monopoly in the home market become an oligopoly in the world market B. Oligopoly in the home market becomes a monopoly in the world market C. Purely competitive firm in the home market becomes an oligopolistic D. Purely competitive firm in the home market becomes a monopolist
1736	Wars new inventions, harvest failures, and change sin government policy are examples of.	A. The business cycle B. Economics models C. Shocks D. Opportunity costs
1737	The income elasticity of inferior goods is	A. Zero B. Positive C. Negative D. Unitary
1738	The short run supply curve for a competitive industry is derived by.	A. Horizontally summing the marginal cost curves for each firm in the industry B. Horizontally summing the average variable cost curves for each firming the industry C. Vertically summing the marginal cost curves for each firm in the industry D. None of the above
1739	According to classical models the level of employment is determined primarily by	A. Interest rates B. The level of prices C. The level of aggregate supply in the economy D. The level of aggregate demand for goods and services
		A. There is a role of fiscal policy

1740	Real business cycle theories suggest that _____ to correct departures from the desired growth path.	B. There is a role for monetary policy C. There is a role for supply side policies D. There is no case for stabilizing output over the business cycle.
1741	A set containing no elements is called.	A. Null set B. empty set C. void set D. all of the above
1742	Perfect price discrimination means that every customer.	A. Buys the same amount B. Pays the same price C. Pays what she thinks the product is worth D. Contributes the same revenue.
1743	International trade forces domestic firms to become more competitive in terms of.	A. The introduction of new products B. Product design and quality C. Product price D. All of the above
1744	If the price of both goods increase by the same percent, the budget line will.	A. shift parallel to the left B. Shift parallel to the right C. Pivot about the x axis D. Pivot about the Y axis
1745	The concept of "Interdependence of markets" can refer to the interdependence between.	A. Two or more factor markets B. Goods and factor markets C. Goods markets D. All of the above
1746	Scientific social survey and Research is written by	A. Best John B. Emory C. Bedrove school D. P.V. Young
1747	The diamond water paradox can be explained by suggesting that the price of a product is determined by.	A. Consumer incomes B. Its marginal utility C. Consumer surplus D. Diminishing marginal utility
1748	If every element of a row or column of a square matrix A is zero, then the value of the determinant is.	A. Equal B. One C. zero D. Not equal
1749	A shift in tastes toward Pakistan goods _____ net exports and causes the IS curve to shift to the.	A. decreases ; right B. decreases ; fall C. increases ; rise D. increases ; fall
1750	In the product market of the circular flow model.	A. Firms buy finished products from households. B. Consumers buy factors of production from firms C. Firms Sell factors of production to the government D. Consumers buy finished products from firms
1751	According to Karl Marx, revolution would inevitably come from the oppressed workers, known as the	A. Proletariat B. Patricians C. Bourgeoisie D. Panaces
1752	Who advocates laissez faire.	A. Monetarists B. Classical C. Neo classical D. Modern
1753	When the Central Bank initiates actions which will lead to an increase in the supply of money IS -LM models tell us to expect that.	A. The interest rate will rise B. The interest rate will decline C. The price level will not change D. Investment will decline
1754	The public sector includes.	A. Investors owning companies B. Government ownership of assets C. Market forces of supply and demand D. All trade via barter
1755	Which of the following is an automatic stabilizer.	A. Unemployment benefits B. Spending on education C. Defense spending D. Net interest
		A. Never make mistakes B. Try to get what they desire as best

1756	If economics when we say that people are rational, we mean that they.	<p>they can, given the limitations they face.</p> <p>C. Logically figure out what to do</p> <p>D. Behave in a random unpredictable manner</p>
1757	By definition, the marginal propensity to consumes.	<p>A. Equals $OC/A Y_d$</p> <p>B. Is the behavioral coefficient c in the equation $C = C + cY_d$</p> <p>C. Is the slops of the consumption function.</p> <p>D. All of the above</p>
1758	What the process of summarizing raw data and displaying them on compact statistical table for further analysis.	<p>A. Statistical analysis</p> <p>B. Data processing</p> <p>C. Tabulation</p> <p>D. Table construction</p>
1759	A main advantage of specialization results from	<p>A. Economics of large scale production</p> <p>B. The specializing country behaving as a monoploidy.</p> <p>C. smaller production runs resulting in lower unit costs</p> <p>D. High wages paid to foreign workers</p>
1760	Deep ecology places emphasis upon	<p>A. Life</p> <p>B. Man</p> <p>C. Environment</p> <p>D. Relationship</p>
1761	If a monopolist faces a downward sloping market demand curve its.	<p>A. Average revenue is always less than marginal revenue</p> <p>B. Marginal revenue is greeter than the price of the units it sells.</p> <p>C. Average revenue is less than the price of its product.</p> <p>D. Marginal revenue is always less than the price of the units it sells</p>
1762	Tertiary activity includes.	<p>A. Production</p> <p>B. Services</p> <p>C. Agriculture</p> <p>D. None of these</p>
1763	The book Summa Theologica ' ws written by	<p>A. Plato</p> <p>B. Aristotie</p> <p>C. St. Thomas Aquinas</p> <p>D. St. Augustine</p>
1764	The equilibrium level of income is.	<p>A. Rs. 360</p> <p>B. Rs.600</p> <p>C. Rs.440</p> <p>D. Rs.500</p>
1765	When two goods are substitutes a shock that raises the price of one good causes the price of the other goods to.	<p>A. Remain unchanged</p> <p>B. Decrease</p> <p>C. Increase</p> <p>D. Change in an unpredictable manner</p>
1766	To stabilize the prices of primary products international commodity agreements have utilized all of the following except.	<p>A. Tariff -rate quotas applied to imported goods.</p> <p>B. Production and export controls.</p> <p>C. Buffer stocks</p> <p>D. Multilateral contracts</p>
1767	As the required reserve ratio is decreased the money multiplier.	<p>A. Could either increase or decrease</p> <p>B. Remains the same as long as banks hold no excess reserves</p> <p>C. Increase</p> <p>D. Decreases</p>
1768	An increase in investment leads to an increase in income and consumer spending, which in turn leads to a further increase in investment spending This is example of.	<p>A. The expenditure multiplier</p> <p>B. Explosive growth</p> <p>C. Hyperinflation</p> <p>D. Interaction of multiplier and accelerator</p>
1769	The automatic stabilization function of fiscial policy ensures that government expenditures _____ and government revenues ____ during recessions.	<p>A. decrease ; decrease</p> <p>B. decrease ; increase</p> <p>C. Increase ; decrease</p> <p>D. increase ; increase</p>
1770	A sale of bonds by the central bank should cause.	<p>A. A fall in the interest rate</p> <p>B. An increase in the money supply</p> <p>C. A decrease in the reserves of the commercial banks</p> <p>D. An increase in the commercial</p>

		banks loans to the public
1771	The long run foreign exchange rate between the U.S. and Japan is 200 Yen =Rs. 1 under a floating exchange rate Which of the following does 112 t occur if the Federal Reserve reduce the money supply in order to prevent the occurrence of inflation.	<p>A. Foreign capital flows to the U.S.</p> <p>B. The U.S. dollar appreciates</p> <p>C. Real net exports decline</p> <p>D. American real GNP experience a slower rate of growth</p>
1772	From of Agriculture in which famers move from place to place in search of better land is called.	<p>A. Subsistence farming</p> <p>B. Shifting cultivation</p> <p>C. Shifting agriculture</p> <p>D. All of these</p>
1773	The firm under monopolistic competition is likely to produce less and set a higher price than under perfect competition because.	<p>A. The firm faces decreasing returns to scale</p> <p>B. The firm faces increasing costs</p> <p>C. The firm must incur selling expenses including advertising.</p> <p>D. The firm faces a downward sloping demand curve</p>
1774	Laboratory experiments cannot be performed in economics because.	<p>A. Of resource scarcity</p> <p>B. Economics is a natural science</p> <p>C. Of the difficulty of distinguishing between normative and positive statements.</p> <p>D. Economics is a social science</p>
1775	International trade in goods and services tends to	<p>A. Increase all domestic costs and prices</p> <p>B. Keep all domestic costs and prices at the same level</p> <p>C. Lessen the amount of competition facing home manufactures.</p> <p>D. Increase the amount of competition facing home manufacturers</p>
1776	an asset that can easily be exchanged for goods and services is called a.	<p>A. Financial asset</p> <p>B. Barter like asset</p> <p>C. Illegitimate asset</p> <p>D. Liquid asset</p>
1777	Productivity can grow.	<p>A. If capital per hour of labor increases.</p> <p>B. If there are no technological advances.</p> <p>C. If capital per hour of labor decreases</p> <p>D. If real GDP per hour labor decrease and capital per hour of labor increases.</p>
1778	The accelerator theory of investment says that induced investments determined by.	<p>A. The rate of change of national income</p> <p>B. Expectations</p> <p>C. The level of national income</p> <p>D. The level of aggregate demand</p>
1779	A firm A's break even quantity is.	<p>A. 10 units</p> <p>B. 40 units</p> <p>C. 50 units</p> <p>D. 30 units</p>
1780	All of the following are credit items in the balance of payments except.	<p>A. Investment inflows</p> <p>B. Merchandise exports</p> <p>C. Payment for American service's to foreigners</p> <p>D. Private give to foreign residents</p>
1781	National sample survey scheme is an example for	<p>A. Government policy</p> <p>B. Planning</p> <p>C. Population analysis</p> <p>D. Business</p>
1782	To be productively efficient a firm must produce where	<p>A. Marginal costs are maximized</p> <p>B. Marginal costs are minimized</p> <p>C. Average costs are minimized</p> <p>D. Average revenue is maximized</p>
1783	With a positive externality	<p>A. There is under consumption in the free market</p> <p>B. There is over consumption in the free market</p> <p>C. The government may tax to decrease production</p> <p>D. Society could be made off if less was produced</p>

1784	Potential output can be increased by _____ or by _____	<p>A. Increasing the use of labour, increasing the use of land</p> <p>B. Increasing the use of capital, increasing the use of labour</p> <p>C. Increasing the use of land, increasing the use of capital</p> <p>D. Increasing the use of all inputs technical advances</p>
1785	If X becomes more expansive i relation to Y, what happens to the budget line in the X - Y space, with Y on the vertical axis.	<p>A. It shifts to the right</p> <p>B. It shifts to the left</p> <p>C. The slope becomes flatter</p> <p>D. The slope becomes steeper</p>
1786	The precautionary demand for money is	<p>A. An idle balance</p> <p>B. An active balance</p> <p>C. Directly related to interest rates</p> <p>D. Inversely related to income</p>
1787	Prohibiting a trade between two people	<p>A. Will promote economic efficiency</p> <p>B. Probably Will inhibit productive efficiency</p> <p>C. Might be necessary if resources are to be put to their most highly valued uses</p> <p>D. Will have no effect on other persons.</p>
1788	That the division of labor is limited by the size of th market best applies to which explanation of trade.	<p>A. Factor endowment theory</p> <p>B. Product like cycle theory</p> <p>C. Economics of scale theory</p> <p>D. Over lapping demand theory</p>
1789	the Zarai Taraqiati Bank Limited is the largest public sector financial development institution Pakistan it was founded in.	<p>A. 1960</p> <p>B. 1961</p> <p>C. 1962</p> <p>D. 1963</p>
1790	Suppose there is full employment and a neoclassical aggregate supply schedule A 105 increases in the nominal money supply.	<p>A. Has no effect upon the price level</p> <p>B. Increase the rate of interest</p> <p>C. Increase the nominal wage 10%</p> <p>D. Increase the real money supply 10%</p>
1791	Debt repayment defense spending and general administrative expenditures consume ____ of Pakistan's annual budget.	<p>A. 60 percent</p> <p>B. 65 percent</p> <p>C. 70 percent</p> <p>D. 80 percent</p>
1792	Should international transpiration costs decrease the effect on international trade would include a.	<p>A. Increases in the volume of trade</p> <p>B. Smaller gain from trade</p> <p>C. Decline in the income of home producers</p> <p>D. Decrease in the level of specialization in production.</p>
1793	Which of the following does not result in an increase in U.S. autonomous net exports.	<p>A. The U.S. dollar depreciated</p> <p>B. Major trading partners stimulate their economy</p> <p>C. Foreign currencies depreciate</p> <p>D. Foreign trading partners lift tariff barriers</p>
1794	When the demand curve is vertical its shows that the demand is.	<p>A. Less elastic</p> <p>B. Very high elastic</p> <p>C. Elastic</p> <p>D. Perfectly inelastic</p>
1795	The current chairperson of the planning commission of Pakistan.	<p>A. Nadeem ul Haque</p> <p>B. Mehmood ul Haq</p> <p>C. Abdul Hafeez sheikh</p> <p>D. None of the above</p>
1796	A depreciation of currency occur when	<p>A. The value of the currency falls</p> <p>B. The value of the currency increases</p> <p>C. Inflation falls</p> <p>D. The balance of payments improves</p>
1797	Non proportional random sampling is a sub type of.	<p>A. Unrestricted random sampling</p> <p>B. Simple Random sampling</p> <p>C. Stratified Random sampling</p> <p>D. Cluster Random sampling</p>
1798	An increase in total production causes the demand for money to _____ and the interest rate to _____	<p>A. Increase ; increase</p> <p>B. Increase ; decrease</p> <p>C. decrease ; decrease</p> <p>D. decrease,; increase</p>

1799	A rise in the exchange rate value of the rupee will most likely cause.	A. A dollar to be worth less in terms of other currencies. B. Imports to decrease C. Exports to increase D. The balance of payments curve to shift to the left
1800	What happens to the money supply if the deficit is financed by selling bonds to the general public.	A. The money supply increases B. The money supply decreases C. The money supply is unaffected D. We cannot tell what will happen to the money supply
1801	currency speculation is _____ if speculators bet against market forces that cause exchange fluctuations, thus moderating such fluctuations.	A. Destabilizing B. Stabilizing C. Inflationary D. Deflationary
1802	Under law of demand.	A. Price of commodity is an independent variable B. Quantity demanded is a dependent variable C. Reciprocal relationship is found between price and quantity demanded D. All of the above
1803	If the central bank buys financial securities in the open market to increase the monetary base, this is an example of.	A. Lender of last resort B. Financial intermediation C. Open market operations D. Financial regulation.
1804	The IS curve shows the combinations of output and the real interest rate for which.	A. The goods market is in equilibrium B. The labor market is in equilibrium. C. The financial assets market is in equilibrium D. An increase in output will cause the market clearing interest rate to be bid up.
1805	The earliest statement of the principle of comparative advantage is associated with	A. Adam Smith B. David Ricardo C. E. Hecksher D. Bertil Ohlin
1806	The overall Budget Deficit is financed from	A. External borrowing B. Non bank borrowing domestically C. Bank borrowing plus the above two D. None of the above
1807	The use of money is more efficient than barter because the introduction of money	A. Reduces the need for economic specialization B. Reduces the need to exchange goods C. Reduces the need for other stores of value D. Reduces transaction costs
1808	A person who is made redundant because of the contraction of an industry is a victim of.	A. Frictional unemployment B. Demand deficient unemployment C. Classical unemployment D. Structural unemployment
1809	One of money's primary roles in the economy comes from the use of money to transfer purchasing power to the future. This role of money is called.	A. store of value B. Unit of account C. Medium of exchange D. Standard of deferred payment
1810	The view that human beings are above and outside of nature as a source of value is known as.	A. Ecocentrism B. Anthropocentrism C. Holism D. Biocentrism
1811	In Islam absolute ownership of property lies only with.	A. Government B. Owner of the property C. Allah D. None of these
1812	If A is preferred to B and B is preferred to C and there is indifference between A and D	A. D is preferred to C B. B is preferred to D C. There is indifference between C and D D. There is indifference between B and D
1813	When the export function is $Rs. 100 - 0.2Y$, net exports are 0 when income is	A. Rs. 300 B. Rs. 400 C. Rs. 500 D. Rs. 600

1813	When the export function is $EX = 0.2Y$, net exports are 0 when income is _____.	C. Rs.500 D. Rs.600
1814	In the ISLM frame work an expansionary fiscal policy causes aggregate output to _____ and the interest rate to _____.	A. increases ; increase B. increases ; decrease C. decreases ; decreases D. decreases ; increases
1815	In monopolistic competition firms profit maximize where _____.	A. Marginal revenue = average revenue B. Marginal revenue= Marginal cost C. Marginal revenue= Average cost D. Marginal revenue = Total cost
1816	Objectivity means basing conclusions on facts without any bias and _____.	A. Pilot study B. Paradigm C. Value judgment D. Concept
1817	As long as all prices remain constant an increase in money income results in _____.	A. An increase in the slope of the budget line B. A decrease in the slope of the budget line C. An increase in the intercept of the budget line. D. a decrease in the intercept of the budget line.
1818	If your income during one year is L 10,000 and the following year it is L,12,000 then it has grown by _____.	A. 20% B. 2% C. 12% D. 15%
1819	An increase in money _____ shifts the LM curve to the _____ causing the interest rate to _____.	A. demand ; right B. demand ; left C. supply ; right D. supply ; left
1820	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.
1821	During the financial year 1999-2000 the tax yielding the largest revenue for the Federal Government was _____.	A. Income tax B. Value added tax C. Excise duty D. Customs duty
1822	Under land reforms ceiling of land was set as 150 acres of Un irrigated land by _____.	A. Zia ul Haq B. Z.A.Bhutto C. Nawaz Sharif D. None of these
1823	Classical economics think general equilibrium is attained relatively quickly because _____.	A. The real interest rate adjusts quickly B. The level of output adjusts quickly. C. The real wage rate adjusts quickly D. The price level adjusts quickly.
1824	Which of the following is incorrect with respect to the consumption diagram _____.	A. the interest rate is a premium B. $MRS = (i + r)$ C. The consumer will be lender in time zero D. The consumer lends 700
1825	if $A = A^T$, then A is _____.	A. Symmetric matrix B. Skew symmetric matrix C. Identity matrix D. Orthogonal matrix
1826	Foreign direct investment is made on _____ basis.	A. Friendly basis B. social basis C. Commercial basis D. Humanitarian basis
1827	The oldest basis of existence all over the world was _____.	A. Fishing B. Farming C. Both a and b D. None of these
1828	A circular constellation of force tending to act and react upon each other in such away to keep a poor country in a state of poverty is termed as _____.	A. Vicious circle of poverty B. Low capital formation C. Low development D. Disincentive to investment

		D. disguised unemployment
1829	A mathematical statement setting two algebraic expressions equal to each other is called.	A. Equations B. Hypothesis C. Inequality D. All of above
1830	What is the production level for public good W, if the government uses full cost pricing.	A. Q = 2 B. Q = 5 C. Q= 4 D. Q = 6
1831	The agricultural price support program is an example of.	A. A price ceiling B. A price floor C. Equilibrium pricing D. None of these
1832	Suppose velocity is constant and the real income elasticity of the demand for money is less than one then estimating inflation as money growth rate minus real growth rate.	A. Overestimates inflation B. Underestimates inflation C. Is an erratic estimate of inflation D. Remain an accurate estimate of inflation.
1833	What characteristics is likely to increase population growth.	A. Family planning programs B. Old age social security C. Lack of women's empowerment D. Rapid economic growth
1834	Increases in government spending increase interest rates and aggregate output in the ISLM framework this is a ____ shift of the ____ curve.	A. Left ward ; LM B. Right ; LM C. Left ward ; IS D. Left ward ; AD
1835	Which of the following statements is true about hypothesis.	A. It is an assumption about population value B. There are different types of hypothesis C. Hypothesis testing is a function of inferential statistics D. All of the above
1836	The supply of foreign currency tends to be	A. Upward sloping B. Down ward sloping C. Vertical D. Any of the above
1837	An increases in the value of the Rupee makes foreign goods cheaper relative to Pakistan goods, resulting in a _____ in net exports and a __ shift of the IS curve	A. fall ; leftward B. rise ; leftward C. fall ; rightward D. rise ; rightward
1838	If the economy grows the government's budget position will automatically	A. Worsen B. Improve C. Stay the same D. Increase with inflation
1839	Profit making is basic motive in.	A. Socialism B. Mixed economy C. Communism D. ^{Capitalism}
1840	Perfect competition implies	A. Homogeneous goods B. Inferior goods C. Superiors goods D. Differential goods
1841	Expansion in money supply stems from.	A. Increasing the cost of bank credit B. Reducing availability of bank credit C. Reducing the financial cost of bank credit D. None of above
1842	The negative slope of the demand curve indicates that there is _____ relationship between the price and the quantity demanded.	A. A direct B. An inverse C. A positive D. No relationship
1843	a contractionary monetary policy	A. Reduces interest rtes B. Reduces real output C. shifts the LM curve to the right D. All of the above
1844	An equation in which all variables are raised to the first power is known as.	A. Linear equation B. Non linear equation C. Quadratic equation D. Polynomial of degree two
		A. the World bank B. The international Monetary Fund

1845	Among the institutions and policies that have been created to support developing countries are.	B. The International Monetary Fund C. The Generalized system of Preferences D. All of the above
1846	The arc price elasticity of demand is approximately	A. 0.3 B. 3.3 C. 6.0 D. 0.2
1847	The price elasticity of demand is the same thing as the negative of the	A. Slope B. Reciprocal of slope C. The first derivative of the demand function D. Reciprocal of slope times the ratio of price to quantity
1848	Consider the five panels of the figure on the previous page in which of the five would monetary policy be the weakest.	A. Panel a B. Panel d C. Panel b D. Panel e
1849	A primary reason why nations conduct international trade is because.	A. some nations prefer to produce one thing while others produce another. B. Resources are not equally distributed to all trading nations C. Trade enhances opportunities to accumulate profits D. Interest rates are not identical in all trading nations
1850	If injections are less than withdrawals at the full employment level of national income there is.	A. an inflationary gap B. Equilibrium C. A deflationary gap D. Hyperinflation
1851	The comparative advantage model of Ricardo was based on.	A. Interindustry specialization and trade B. Interindustry specialization and trade C. Demand conditions underlying specialization and trade D. Income conditions underlying specialization and trade
1852	Of the following which one is a characteristic of monopolistic competition.	A. Standardized product B. Comparatively easy entry C. Little non price competition D. None of these
1853	Research design is the conceptual structure within which the research is.	A. Judgment B. Design C. Survey D. Conducted
1854	It is a verbal method of gathering data in the field surveys.	A. Interview B. Questionnaire method C. Participant observation D. Projective technique
1855	Which trade theory contends that a country that initially develops and exports a new product may eventually become an importer of it, and may no longer manufacture the product.	A. Theory of factor endowments B. Theory of overlapping demands C. Economies of scale theory D. Product life cycle theory.
1856	The marginal Revenue product is.	A. Upward sloping due to the law of demand B. Upward sloping due to the law of marginal utility C. Downward sloping due to the law of diminishing returns. D. Downward sloping due to the law of supply
1857	Headquarter of World Bank is located in.	A. Geneva B. Washington DC C. London D. New York
1858	How many stock exchanges are there in Pakistan.	A. 2 B. 3 C. 4 D. 5
1859	If the State bank of Pakistan wished to pursue a tight monetary policy it would.	A. Lower the required reserve ratio and the statutory liquidity ratio. B. Lower interest rates C. Buy government securities on the

		open market D. Sell government securities on the open market
1860	For interior commodities income effect is.	A. Zero B. Negative C. Infinite D. Positive
1861	The transpose of the cofactor matrix is called.	A. Adjoin of the matrix B. Power of a matrix C. Minor of the matrix D. Rank of a matrix
1862	Multinational corporations	A. Always produce primary goods B. Always produce manufactured goods C. Products primary goods or manufactured goods D. None of the above
1863	"A growing number of economists view the Fed's new willingness to take on more of the nation's debt as inflationary in the long run." This inflation worry is because.	A. The government may tax less B. The debt may become excessive C. The government may spend more D. The money supply may increase excessively
1864	When stock market is falling it is called.	A. Bearish B. Bullish C. Imperfect competition D. Fall down
1865	If the income tax rate changes from 30% to 40% on incomes over \$30,000 and a person's income is \$31,000 then her marginal tax rate is.	A. 30% B. 10% C. 70% D. 40%
1866	The intersection of the IS and LM curves captures.	A. The equilibrium of the demand and supply sides of the economy B. the equivalence of monetary and fiscal policy C. Joint equilibrium in the goods and money markets D. All of the above
1867	An expansionist fiscal policy could include	A. Lower interest rates B. Increased lending by the banks C. An increase in corporation tax D. An increase in discretionary government spending
1868	In today's world most countries impose tariffs	A. Only on imports B. Only on exports C. On both imports and exports D. On imports exports and nontrade goods
1869	The productivity curve	A. Is given by the labor productivity B. Shows the change in real GDP per hour of labor as the amount of capital per hour labor changes C. Shows the change in technology D. Is given by the equation $Y = F(L, K, T)$
1870	In the short run the competitive firm will produce if.	A. Price is equal to marginal cost B. Price is equal to marginal revenue C. Price is equal to total cost D. Price is equal to or greater than average variable cost.
1871	Which of the policies in the table above an increase in social welfare according to Pareto efficiency.	A. Policy A B. Policies A and B C. Policies A and D D. Policies C, A, and D
1872	A concept which can take on different quantitative values is called a.	A. Variables B. Control groups C. Values D. paradigm
1873	Life centered, ethics taken into account of action of.	A. Animals B. Human beings C. Impact of human action D. All of these
1874	Most commonly referred indicator of inflation is	A. Wholesale price index B. Retail price index

1874	most commonly referred indicator of inflation is	C. Consumer price index D. Sensitivity price index
1875	If each element of a row of column of a square matrix A is zero, then the value of the determinant. is.	A. Equal B. One C. Zero D. None of these
1876	An upward shift in marginal cost _____ output and an upward shift in _____ marginal revenue ____ output.	A. Reduce , reduce B. Reduce , increase C. Increased, increased D. Increases, reduces
1877	In a pure market economy which of the following is a function of the price. i - provide information to sellers and buyers ii- Provide incentives to sellers and buyers	A. I only B. ii Only C. both i and ii D. Neither i nor ii
1878	If the price in a market is fixed by the government above equilibrium.	A. There is excess equilibrium B. There is excess supply C. There is excess demand D. There is equilibrium
1879	Advocates of industrial policy maintain that government should.	A. Purse free trade as a policy that leads to maximum global efficiency B. Grant subsidies to firms offering potential comparative advantage. C. Provide loans to domestic workers in exporting industries. D. Increase interest rates on loans made to firms in import competing industries.
1880	The break even level of income where $C = Y$ is	A. 200 B. 300 C. 500 D. 400
1881	Case studies are not use ful for	A. In depth study B. Flexible data collection C. Generalization D. Datives theory
1882	Economists tend to judge a model based upon	A. the realty of its assumptions B. The accuracy of its predications C. Its simplicity D. Its complexity
1883	A situation in which expansionary in monetary policy has no effect on the economy is known as.	A. Macro economic stabilization B. A liquidity trap C. A depression D. Capital flight
1884	An oligopolistic industry can be characterized by all of the following except	A. May sellers B. mutual interdependence C. Economies of scale D. A homogenous product
1885	Given fixed change rate assume Pakistan initiates expansionary monetary and fiscal polices to combat recession these policies will also.	A. Increase both imports and exports B. Increase exports and reduce import C. Reduce a balance of payments surplus D. Reduce a balance of payment deficit
1886	Major sector of the Pakistan economy in	A. Export sector B. Industrial sector C. Services sector D. Agriculture sector
1887	Oligopoly is a market structure in which	A. Many firms each produce a slightly differentiated product B. One firm produces as unique product C. A small number of firms compete D. Many firms produce an identical product
1888	The expected profit from the profit distribution above is.	A. 40 units B. 60 units C. 100 units D. 20 units
1889	If A is a square matrix of order ' n ' and I is the unit matrix of the same order then A^{-1} is equal to.	A. A B. $1A$ C. 1 D. Both a and b

1890	Inferential statistics is the branch of statistics which helps in inferring.	A. Sample value B. Population value C. Both a and b D. None of these
1891	The central bank and the government are working against each other if as the government cuts taxes the central bank	A. Sells government bonds B. Lowers the discount rate C. Increase the money supply D. Decrease the legal reserve requirements
1892	A monopsony is	A. The scale supplier of an input B. The scale supplier of an output C. The sole buyer of some type of input D. A unionized industry
1893	A state of government bonds by the central bank should cause	A. Bond prices to rise B. an increase in the supply of money C. An increase in chartered banks loans D. A decrease in reserves of the banking system.
1894	Firms are assumed to ____ costs and to _____ profit.	A. Incur , desire B. Pay ; make C. Change ;earn D. Minimize ; maximize
1895	Economists use the term marginal utility to mean.	A. Additional satisfaction gained divided by additional cost of the last unit. B. Additional satisfaction gained by the consumption of one more unit of a good C. Total satisfaction gained when consuming a given number of units. D. The process of comparing marginal units of all goods which could be purchased
1896	An increase in the expected real interest rate tends to.	A. Raise desired saving only B. Raise desired investment only C. Raise both desired savings and desired investment D. Raise desired savings, but lower desired investment.
1897	In his description of an idealized city state Plato did not advocate.	A. Class specialization B. Self regulation of markets C. Flat money to facilitate exchange D. That all philosopher king rulers embrace communist styles of living.
1898	A linear homogenous production function would reveal.	A. Constant returns to scale B. Increasing returns to scale C. Decreasing return to scale D. Doubling all inputs would more than double output
1899	In Pakistan government budget is prepared by.	A. National Assembly B. President of Pakistan C. Ministry of finance D. State bank of Pakistan
1900	A decrease in fully autonomous investment other things equal shifts the _____ curve to the	A. IS ; right B. IS ; Left C. LM ; Left D. LM ; right
1901	Kharif crops include.	A. Cotton and rice B. Maize and Sugarcane C. Jawar and Bajra D. all of the them
1902	A production technique is technically efficient if.	A. Output is maximized B. Input are minimized C. there is no way to make a given output using less of one input and no more of the other inputs. D. costs are minimized
1903	A monopolistically competitive firm differs from a perfectly competitive firming that unlike the perfectly competitive firm it.	A. Faces a downward sloping demand curve B. Can change the characteristics of its product. C. Can vary the price of its product. D. All of the above

1904	If nominal GNP were Rs.1000 ballooning 1976 and Rs.2200 billion in 1986, and the implicit GNP deflator was. 1.2 in 1976 and 1.6 in 1986 concluded that .	<p>A. Real GNP increased by approximately Rs. 542 billion from 1976 to 1986</p> <p>B. The price level fell from 1976 to 1986</p> <p>C. Real GNP increased by 35%</p> <p>D. Nominal GNP increased by 80%</p>
1905	Most industrial construes generally considered _____ as the most important economic goal	<p>A. External balance</p> <p>B. Internal balance</p> <p>C. Maximum efficiency for business</p> <p>D. Maximum efficiency for labor</p>
1906	The production function will be affected by changes in the prices of.	<p>A. Inputs</p> <p>B. Outputs</p> <p>C. Neither</p> <p>D. All of the above</p>
1907	The long run Phillips curve is	<p>A. Vertical</p> <p>B. Horizontal</p> <p>C. Upward sloping</p> <p>D. Downward sloping</p>
1908	In perfect competition, a seller by increasing price.	<p>A. Sell more</p> <p>B. Produce its revenue</p> <p>C. Decrease cost</p> <p>D. Sell nothing</p>
1909	"No two elements of a set are identical" this statements is.	<p>A. Always true</p> <p>B. Sometimes true</p> <p>C. Not true</p> <p>D. All of the above is possible</p>
1910	A decrease iin money demand other thing equal shifts the _____ curve to the	<p>A. IS ; right</p> <p>B. Is ; Left</p> <p>C. LM ; Left</p> <p>D. LM ; Rfight</p>
1911	A decrease in autonomous consumer expenditure causes the equilibrium level of aggregate output to _____ at any given interest rate and shifts the _____ curve to the _____	<p>A. rise ; LM ;right</p> <p>B. rise ; IS ; right</p> <p>C. Fall ; LM ; left</p> <p>D. rise ;IS; Left</p>
1912	In Vann diagram the universal set is represented by	<p>A. Points within a rectangle</p> <p>B. Points within a circle</p> <p>C. Both a and b</p> <p>D. None of these</p>
1913	If the expected rate of inflation rose at the same time the natural rate of unemployment rose the Philips curve.	<p>A. would shift down</p> <p>B. would shift up</p> <p>C. Would not move</p> <p>D. Might shift up or down or not move depending on which effect was larger.</p>
1914	An increase in the discount rate at the FED generally has the following effect on bond prices.	<p>A. There is no demonstrated effect</p> <p>B. Such an increase tends to lower bond prices.</p> <p>C. Such an increase tends to raise bond prices</p> <p>D. Bond prices are related to the government purchase and sale of bonds.</p>
1915	A shift in tastes toward Pakistan goods _____ net exports and causes the quantity of aggregate output demanded to _____	<p>A. decreases ; rise</p> <p>B. decreases ; fall</p> <p>C. Increases ; rise</p> <p>D. Increase ; fall</p>
1916	Everyone's absolute income doubles family A's APC, according to the simple Keynesian consumption function is expected to.	<p>A. Fall</p> <p>B. Double</p> <p>C. Increase</p> <p>D. Halve</p>
1917	Applied research is problem oriented and	<p>A. Analytical directed</p> <p>B. Scientific procedure</p> <p>C. Scientific research</p> <p>D. Action directed</p>
1918	Quality controlleers at the LMN corporation formulate the null hypothesis that the proportion of defective items in the production line is 10% they reject this hypothesis when they find 12 defective items in 100. If the defective rate is really 10% What type of error did they make.	<p>A. Standard error of the mean</p> <p>B. A type II error</p> <p>C. A type I error</p> <p>D. The error probability</p>
1919	Research is directed towards the solution of a	<p>A. Problem</p> <p>B. Hypothesis</p> <p>C. data</p> <p>D. Survey</p>
	"Money deposited for a term is not left in bank vaults but is loaned out by the banks This	<p>A. The multiplier</p>

1920	money deposited for a term is not left in bank vaults but is loaned out by the banks. This means that is dollar on deposit can flow back into the banking system one or more times and that dollar can expand the money supply What cinterminlogy do economists use to refer to the proses described in this clip.	A. The multiplier B. The money multiplier C. Required reserve ratio D. Open market operations
1921	When a person received an increase in wealth, what is likely to happen to consumption and saving.	A. Consumption increase and saving increases. B. Consumption increases and saving decreases C. Consumption decreases and saving increases D. Consumption decreases and saving decreases
1922	According to Okun's law an increase in the unemployment rate will cause_____ in the level of empolymment and ___ in the level of output.	A. An increase ; an increase B. An increase; a decrease C. A decrease ; an increase D. a decrease ; a decrease
1923	Ineven A occurs the payoff will be Rs.5,670.00 . the probability of event A occurring is .87 What is the expected payoff of event A.	A. Rs.5,670.00 9d) B. Rs.4,832.10 C. Rs. 4,932.90 D. Rs.5000.00
1924	Trade based on comparative advantage assures that.	A. Only the strongest suvrive B. Some people are rich and others are poor C. Each item is produced using the least amount of time needed to produce it D. Each item is produced at as low a cost possible in terms of other things given up
1925	A single value that represent the average characteristics of its frequency distribution.	A. Quartiles B. Grouped data C. Central tendency D. range
1926	Short run contractionary Fiscal policy would result in.	A. Aggregate demand moving to the right B. Aggregate supply moving to the right C. Aggregate demand moving to the left D. Aggregate supply moving to the left
1927	Which policy is an expenditure switching policy.	A. Increase in the money supply B. Decrease in government expensitures C. Increase in business and household taxes D. Decrease in import tariffs
1928	Law of variable proportion is also called.	A. Law of non proportion returns B. Law of substitution C. Law of casts D. Law of demand
1929	The 1959 land reforms fixed the ceiling in the private ownership of land of 500 acres irrigated and _____ acres un irrigated.	A. 750 B. 800 C. 1000 D. None of these
1930	A meeting of persons faces to face especially for the purpose of formal conference on some point	A. Interview B. Participant observation C. Observation D. Projective techniques survey
1931	If tastes are identical between countries then comparative advantage is determined by	A. Supply conditions only B. Demand conditions only C. Supply and demand conditions D. Can't tell without more information.
1932	What is the reason for dropping the enumeration process.	A. Cost is prohibitive B. Time consuming C. Large efforts D. All of the above
1933	Production of vegetables and fruits is termed as	A. Vegetative propagation B. Truck forming C. Both a and b D. None of these
		A. All business, including how they operate why the exist and how they afect B. Decisions that people must make

1934	Economics is the study of.	<p>because goods and services are limited.</p> <p>C. How to save money, spend money invest savings, and balance a checkbook</p> <p>D. The stock market the bond market and investment strategies</p> <p>E. Big business and its impact on our live</p>
1935	The liquidity trap occurs when the demand for money	<p>A. Is perfectly interest elastic</p> <p>B. Is perfectly interest inelastic</p> <p>C. Means that an increase in money supply leads to a fall int he interest rate</p> <p>D. Means that an increase in the money supply leads to an increase in the interest rate</p>
1936	Within circular flow of income, an increase in domestic income iwl lend to increase.	<p>A. Exports</p> <p>B. Taxes</p> <p>C. Inventories</p> <p>D. Imports</p>
1937	Food crops cover about _____ of cropped areas	<p>A. 75%</p> <p>B. 85%</p> <p>C. 15%</p> <p>D. 35%</p>
1938	Usury is prohibited in	<p>A. Islam only</p> <p>B. Sikhism only</p> <p>C. Jewism</p> <p>D. Both a and b</p>
1939	The national security argument for protection is more likely to be valid when	<p>A. The purpose is to maintain protection for an indefinite time period.</p> <p>B. The industry is characterized by increasing returns to scale.</p> <p>C. the economy operates during a recession</p> <p>D. The protected industry provides invaluable goods during periods of war</p>
1940	In _____ the government replaced the development board with a new autonomous body called the planning board.	<p>A. 1951</p> <p>B. 1952</p> <p>C. 1953</p> <p>D. none of the above</p>
1941	If the marginal revenue is less than the marginal cost then to profit maximize a firm should.	<p>A. Reduce output</p> <p>B. Increase output</p> <p>C. Leave output where it is.</p> <p>D. Increase costs</p>
1942	To be considered a good candidate for an export cartel a commodity should.	<p>A. Be a manufactured good</p> <p>B. Be a primary product</p> <p>C. Have a high price elasticity of supply</p> <p>D. Have a low price elasticity of demand</p>
1943	The value of an asset depends upon	<p>A. Its scrap value</p> <p>B. Its depreciation</p> <p>C. The present value of the failure stream of income it can earn.</p> <p>D. the cost of loans</p>
1944	An increase in money demand other thing equal shifts the ____ curve to the ____	<p>A. IS ; right</p> <p>B. IS ; Left</p> <p>C. LM ; Left</p> <p>D. LM ; right</p>
1945	Objectivity, generality, systematic and quality are the characteristics of.	<p>A. Case study</p> <p>B. Projective technique</p> <p>C. Narrative method</p> <p>D. Content analysis</p>
1946	In the Harrod - Domar equation $g = s/v$, v is defined as.	<p>A. the value of the country a capital stock</p> <p>B. The ratio of the country's capital stock to its output.</p> <p>C. The change in the country's capital stock</p> <p>D. None of the above</p>
1947	Satellite television subscription and television detection devices are ways in which broadcasting companies address the _____ problem	<p>A. Externality</p> <p>B. Market imperfection</p> <p>C. Deadweight burden</p>

	broadcasting companies address the _____ problem.	C. Deadweight burden D. Free rider
1948	Which industrialization policy has developing countries used which places emphasis on the comparative advantage principle as a guide to resource allocation.	A. Export promotion B. Import substitution C. International commodity agreements D. Multilateral contracts.
1949	In long run equilibrium a monopolistically competitive firm will find.	A. Marginal cost below average total cost B. Marginal cost equal to minimum average total cost C. Both a and b D. Neither a nor b
1950	The hypothesis would be tested with	A. A two tailed test B. A one tailed test with the rejection region in the left tail C. a one tailed test with the rejection region on the right tail D. The normal distribution
1951	The short run Philips curve can shift in response to changes in	A. inflationary expectations B. Unemployment C. The inflation rate D. Wage rates
1952	In the UK under a _____ of the labour force belong to a trade union.	A. Quarter B. Third C. Half D. Three quarters
1953	If the exchange rate is above the equilibrium level.	A. There is excess demand and the exchange rate will fall B. There is excess supply and the exchange rate will fall C. There is excess demand and the exchange rate will rise D. There is excess supply and the exchange rate will rise
1954	That the division of labor is limited by the size of the market best applies to which explanation of trade.	A. Factor endowment theory B. Product life cycle theory C. Economies of scale theory D. Overlapping demand theory
1955	On a graph a positive linear relationship.	A. Moves down to the right B. Moves up to the left C. Moves up to the right D. Moves down to the left
1956	The world trade organization is sometimes criticized for all of the following reasons except.	A. It reduces the sovereignty of member countries. B. Favors free trade over the quality of the environment C. It has no way to solve trade disputes among member countries. D. It is a "puppet" of multinational corporations
1957	The Philips curve shows the trade off between _____ and _____	A. The inflation rate, interest rates B. The inflation rate, the unemployment rate C. interest rates, output D. Output, employment
1958	The relation between M2 and inflation is tighter than the relation between M1 and inflation because.	A. M1 is larger than M2 B. The demand for M2 is more stable C. M1 includes more liquid assets than M2 D. None of the above answers is correct.
1959	A government might use tax to.	A. Discourage consumption of positive externalities B. Discourage consumption of public goods C. Discourage consumption of merit goods D. Discourage consumption of negative externalities
1960	The values are represented by identical symbol or pictures.	A. Bar charts B. Pictograms C. Circle charts D. graphs

A. Monetary growth

1961	In the classical model, potential output can not be increased by	B. Better technology C. More capital D. higher labour supply
1962	A shift in supply will have a bigger effect on price than output if demand is.	A. Income elastic B. Income inelastic C. Price elastic D. Price inelastic
1963	A disadvantage of chain weighting is that	A. Past inflation rates change whenever the base year changes. B. Past growth rates of real GDP change whenever the base year changes. C. It causes output growth to slow D. The components of real GDP don't sum to real GDP
1964	If young business professionals in Pakistan suddenly decide that driving japan made cars is an important status symbol net exports will tend to _____causing aggregate demand to.	A. fall ; fall B. fall ; rise C. rise ; fall D. rise ; rise
1965	If the demand for coffee decreases as income decreases, coffee is a	A. Normal good B. Inferior good C. Substitute good D. Complementary good
1966	When the population is badly affected, which type of sampling is appropriate.	A. Systematic sampling B. Stratified sampling C. Cluster sampling D. None of the above
1967	An increases in the demand curve for orange juice would be illustrated as a.	A. Leftward shift of the demand curve B. Right ward shift of the demand curve C. Movement up along the demand curve D. Movement down along the demand curve
1968	Chose the advantage of snowball sampling from the following.	A. population of not seen B. Total size of population is not known C. researcher's acquaintance influence the research D. Contradicts with conventional nations.
1969	If personal income equals Rs.570 white personal income takes equal Rs.90 consumption is Rs.430. interest payments total Rs. 10 and personal saving is Rs. 40, disposable income equals.	A. Rs. 500 B. Rs.480 C. Rs. 470 D. Rs.400
1970	If employees cannot accept a job because of the costs of moving this is known as.	A. Occupational immobility B. Cyclical unemployment C. Structural immobility D. Geographical immobility
1971	National Bank of Pakistan is one of the largest commercial bank operating Pakistan it was established.	A. 1948 B. 1949 C. 1952 D. 1953
1972	"Transactions" money is money used as a	A. Store of value B. Unit of account C. Medium of exchange D. Standard of deferred payment
1973	Factor that cause the IS curve to shift include.	A. Change in autocoups consumer spending B. Change in taxes C. Change in government spending D. All of the above
1974	If a consumer's budget constraint is given as $P_x X + P_y Y = B$ then the absolute slope of the budget line is.	A. B B. x/y C. P/P_y D. None of these
1975	The long run is a time period that is.	A. Five years or longer B. Long enough to change the level of labor hired C. Long enough to change the size of the firm's plant D. Ten years or longer
		A. the use of markets B. Government ownership fo capital

1976	Capitalism refers to	<p>B. Government ownership of capital goods</p> <p>C. Private ownership of capital goods</p> <p>D. Private ownership of homes and cars</p>
1977	An autonomous increase in money demand.	<p>A. Shift the IS curve to the right</p> <p>B. Shifts the IS curve to the left</p> <p>C. Shift the LM curve to the right</p> <p>D. Shift the LM curve to the left</p>
1978	The law of diminishing returns states that as more of a variable factor is added to a certain amount of a fixed factor beyond some point.	<p>A. Total Physical product begins to fall</p> <p>B. The marginal physical product rises</p> <p>C. The marginal physical product falls</p> <p>D. The average physical product falls.</p>
1979	Non tariff trade barriers could include all of the following except	<p>A. Domestic content laws</p> <p>B. Government procurement policies.</p> <p>C. Health , safety and environmental standards</p> <p>D. Autidumping /countervailing duties applied to imports</p>
1980	The overall Budget Deficit is financed from	<p>A. External borrowing</p> <p>B. Non bank borrowing domestically</p> <p>C. Bank borrowing plus the above two at a and b</p> <p>D. None of the above</p>
1981	If a firm which polluted the water of area had to pay all social cost would have	<p>A. Small output</p> <p>B. Large output</p> <p>C. Heavy output</p> <p>D. B and C</p>
1982	In the Keynesian cross diagram, an increase in autonomous consumer function to shift _____ the equilibrium level of aggregate output to rise and the IS curve to shift to the.	<p>A. up ; left</p> <p>B. up ; right</p> <p>C. down ; left</p> <p>D. down ; right</p>
1983	Who is the proponent of the theory of deontology.	<p>A. Arne Naes</p> <p>B. Warwick fox</p> <p>C. Kant</p> <p>D. Aido Loopoid</p>
1984	A commercial bank has a required reserve ratio of 20% and desires to hold 5% in excess reserves. the bank receives a Rs. 10,000 deposit. If it abides by the required reserve ration and its desire to hold excess reserves the bank can make a loan of a most.	<p>A. Rs.7500</p> <p>B. Rs.2500</p> <p>C. Rs.5000</p> <p>D. Rs.30,000</p>
1985	While resources and products flow in one direction of the circular flow model what flow the other direction.	<p>A. Services</p> <p>B. Public goods</p> <p>C. Money</p> <p>D. Imported goods</p>
1986	The increase in base money divided by the corresponding induced increasing commercial bank deposits is the.	<p>A. Bank's line of credit</p> <p>B. Reserve ratio</p> <p>C. Current ratio</p> <p>D. Money multiplier</p>
1987	If demand is price inelastic.	<p>A. An increase in price must raise profits</p> <p>B. An increase in price decreases revenue</p> <p>C. An increase in price increase revenue</p> <p>D. A decrease in price reduces sales.</p>
1988	As income increases.	<p>A. the average propensity to consume gets nearer in value to the marginal propensity to consume</p> <p>B. the average propensity to consume diverges in value from the marginal propensity to consume</p> <p>C. the average propensity to consume falls</p> <p>D. The averge propensity to consume always approaches 0</p>
1989	The term that has no ecological perspective is.	<p>A. Growth orientation</p> <p>B. Web of life</p> <p>C. Relationships</p> <p>D. Future generation</p>
1990	Alfred Marshall formalized and then popularized the analytical technique known as	<p>A. General equilibrium analysis</p> <p>B. Felicific calculus</p> <p>C. Partial equilibrium analysis</p> <p>D. Differential equations</p>

1991	Empirically verifiable observation is	A. Values B. Theory C. Fact D. Hypothesis
1992	If the determinant formed by the elements of the matrix A is equal to zero, then the matrix is.	A. Skew symmetric B. Singular C. Symmetric D. Non singular
1993	When the S/L exchange rate rises the pounds_____ and whent he S/L rate falls the pounds.	A. depreciates, appreciates B. revalues, devalues C. appreciates, depreciates D. becomes more expensive, becomes cheaper
1994	Case study may be a source of hypothesis of.	A. Future research B. Research design C. Content analysis D. Intensive study
1995	If saving rate is 12.0% , ICOR value is 3% and population Rate is 2.0% then the Growth Rate would be.	A. 2.0% B. 3.65 C. 4.0% D. 6.0%
1996	Most tariffs have	A. Only revenue effects B. Only protective effects C. Both protective ad revenue effects D. Neither protective or revenue effects
1997	In pure monopoly what is the relation between the price and teh marginal revenue.	A. The price is greater than the marginal revenue B. The price is les than the marginal revenue C. There is no relation D. They are equal
1998	Which of the following is a determinant of consumption.	A. Expectations about future prices B. Level of indebtedness of consumers C. The price level D. All of the above
1999	Given the demand and supply cautions $q_D = -8p + 2000$ and $q_S = 12p - 200$ respectively the equilibrium price.	A. $p = 100$ B. $p = 110$ C. $p = 120$ D. $p = 140$
2000	The neoclassical theory of growth identities the steady state rate of growth as the _____ just sufficient to keep _____ constant while labour grows.	A. Saving investment B. Capital per person productivity C. Labour growth , output D. Investment capital per person
2001	Which school of economic thought suggested that one possible cause of inflation was a push from the cost side.	A. New classical economists B. Monetarists C. Marxists D. Keynesians
2002	According to classical economists unemployment rises in recessions due to an increase in _____ unemployment , not in _____ unemployment.	A. Cyclical ; frictional and structural B. Frictional and cyclical , structural C. Structural , frictional and cyclical D. Frictional and structural ; cyclical
2003	For the economic growth of country following is required.	A. Capital formation B. Human resources C. Natural resources D. All of these
2004	In the circular flow diagram firms.	A. Receive revenue and supply resources in the resource market B. Incur costs and demand resources in the resource market. C. Receive revenue and demand resources in the product market. D. Incur costs and supply goods and services in the product market.
2005	Which of the followig does not shift the IS curve .	A. An increases in autonomous consumption B. An increase in government spending. C. A decline in government spending D. A fall in theinterest rate
		A. Demand is income elastic B. Supply is income elastic

2006	Over time the price of primary products tends to fall because.	<p>B. Supply is income elastic</p> <p>C. Of outward shifts in supply</p> <p>D. Demand is price elastic</p>
2007	A purely monetary explanation of the business cycle is proposed by	<p>A. Hawtrey</p> <p>B. Schumpeter</p> <p>C. Hansen</p> <p>D. None of these</p>
2008	Which of the following concepts represents the extra revenue a firm receives from the services of an additional unit of a factor of production.	<p>A. Total revenue</p> <p>B. Marginal physical product</p> <p>C. Marginal revenues product</p> <p>D. Marginal revenue</p>
2009	We would normally expect the size of the labour force to be ____ than the number of workers willing to accept job offers at any real wage rate.	<p>A. Smaller</p> <p>B. Larger</p> <p>C. the same size</p> <p>D. None of these</p>
2010	Firms hire labor at the point where the	<p>A. Nominal wage rate equals the marginal product of labor</p> <p>B. Real wage rate equals the marginal revenue product of capital</p> <p>C. Nominal wage rate equals the marginal revenue product of labor</p> <p>D. Real wage rate equals the marginal revenue product of capital</p>
2011	An increase in aggregate demand is more likely to lead to demand pull inflation if.	<p>A. Aggregate supply is perfectly elastic</p> <p>B. Aggregate supply is perfectly inelastic</p> <p>C. Aggregate supply is unit elastic</p> <p>D. Aggregate supply is relatively elastic</p>
2012	If an economy is productively efficient.	<p>A. Everyone is wealthy</p> <p>B. Resources are unemployed</p> <p>C. More of one product can only be produced if less of another product is produced.</p> <p>D. The distribution of income is equal</p>
2013	A specification of a maximum amount of a foreign produced good that will be allowed to enter the country over a given time period is referred to as a	<p>A. Domestic subsidy</p> <p>B. Export subsidy</p> <p>C. Import quota</p> <p>D. Export quota</p>
2014	A change that increases the real money supply relative to real money demand causes.	<p>A. The LM curve to shift down and to the right.</p> <p>B. The LM curve to shift up and to the left</p> <p>C. The IS curve to shift down and to the left</p> <p>D. The IS curve to shift up and to the right.</p>
2015	A decline in the money_____ shifts the LM curve to the ____ causing the interest rate to rise and output to fall.	<p>A. Demand ; right</p> <p>B. demand ; left</p> <p>C. supply ; right</p> <p>D. supply ; left</p>
2016	Which of the following is not an obvious or direct determinant of a country's imports.	<p>A. Real exchange rate</p> <p>B. Income</p> <p>C. Tariff rates</p> <p>D. Interest rate</p>
2017	Total Share of agricultural sector in employment is.	<p>A. 60%</p> <p>B. 43%</p> <p>C. 55%</p> <p>D. None of these</p>
2018	As the economy nears full capacity the short run aggregate supply curve	<p>A. Stagflation</p> <p>B. Structural inflation</p> <p>C. Demand side inflation</p> <p>D. Supply side inflation</p>
2019	What major advantage of monetary policy over fiscal policy does this clipping underline.	<p>A. Monetary policy is more effective</p> <p>B. Monetary policy is less discriminatory</p> <p>C. Monetary policy can influence interest rates</p> <p>D. Monetary policy can be undertaken more quickly</p>
2020	Research simply mesa a search for.	<p>A. Problems</p> <p>B. Facts</p> <p>C. Results</p> <p>D. Topic</p>

2021	If a person thinks they are better off after a 10% wage increase, and all prices have risen 10%, then they are experiencing.	A. Inflation B. A supply shocks C. Crowding out D. Inflation illusion
2022	To reduce cyclical unemployment the government might.	A. Increase the budget surplus B. Increase the balance of payments deficit C. Reduce interest rates D. Reduce government expenditure
2023	Gender is categorized as	A. Nominal data B. Ordinal data C. Interval data D. Ratio data
2024	Investment is an out stable element of aggregate demand because is depends heavily on.	A. Government policy B. Expectations C. National income D. Historic trends
2025	"Although he didn't say so, this may ultimately compel the central bank to resort increasingly to managing the money supply by managing banks excess cash reserves the stuff from which the banks create loans". How would the central bank manages these excess reserves.	A. By buying bonds B. By selling bonds C. By changing reserve requirements D. All of the above
2026	If the demand curve for a good is downward sloping then the good must be.	A. Normal B. Inferior C. Giffen D. Either a or b
2027	An Invention is set to be neutral when it raises the marginal productivities of labor and capital in the same proportion is said by	A. Rostow B. Todoro C. Solow D. Haicks
2028	At level of income and output of 100 in the diagram above	A. APC < 1 B. Equilibrium occurs C. Consumption expenditures are equal to 100 D. MPC > APC
2029	Increased levels of spending on imports	A. shift aggregate supply to the right B. Shift aggregate supply to the left C. Shift aggregate demand to the right D. Shift aggregate demand to the left
2030	An increase in the marginal propensity to import.	A. Has the some effect upon the multipliers as an increase in the MPC B. Has no effect upon the multipliers C. Increases the value of the multipliers D. Decreases the value of the multipliers
2031	A tax of 17 percent per imported item would be an example of a	A. Ad valorem tariff B. Specific tariff C. effective tariff D. Compound tariff
2032	Real business cycle are cycles in	A. Potential output B. Actual output C. Real output D. International trade
2033	Who was the social theorist tha proposed socialism a should serve as an intermediate stage on the way to an ideal communist society.	A. Karl Marx B. William Domhoff C. Erik wright D. Wright mills
2034	All currencies other than the domestic currency of a given country are referred to as.	A. Reserve currencies B. Neal monies C. Foreign exchange D. Hard currency
2035	According the Hacksher-Ohlin model the source of comparative advantage is a country's	A. Technology B. Advertising C. Factor endowments D. both a and c
2036	Debit (-) items in the balance of payments correspond to anything that.	A. Involve receipts from foreigners B. Involves payments to foreigners C. Increase the domestic money supply D. Decrease the demand for foreign exchange

2037	Given the IS equation $Y = K_e a - K_e Bn$ the IS slope decreases when	<p>A. K_e increase and b increases</p> <p>B. K_e decreases and b increases</p> <p>C. K_e increases and b decreases</p> <p>D. K_e decreases and b decreases</p>
2038	In a free market	<p>A. Government intervene</p> <p>B. Government plan production</p> <p>C. Government interfere</p> <p>D. Price adjust to reconcile scarcity and desires.</p>
2039	The Heckscher Ohlin theory explains comparative advantage as the result of difference in countries.	<p>A. Relative abundance of various resources.</p> <p>B. Relative costs of labor</p> <p>C. Economies of large scale production.</p> <p>D. Research and development expenditures.</p>
2040	The fraction of additional current income that a person consumes in the current period is known as the	<p>A. Consumption smoothing motive</p> <p>B. Consumption deficit</p> <p>C. Saving rate</p> <p>D. marginal propensity to consume</p>
2041	Which of the following macro economics variables is a cyclical.	<p>A. Real interest rates</p> <p>B. Unemployment</p> <p>C. Money supply</p> <p>D. Consumption</p>
2042	A long-run total cost curve can be constructed from	<p>A. An income consumption curve</p> <p>B. A price consumption curve</p> <p>C. Isoquant is cost expansion path diagram</p> <p>D. An Engel curve</p>
2043	The idea that the natural rate of unemployment rises when the actual rate of unemployment rise is known as.	<p>A. Stabilization</p> <p>B. Insider outsider theory</p> <p>C. Hysteresis</p> <p>D. an efficiency wage model</p>
2044	A nation experiences internal balance if it achieves.	<p>A. Full employment</p> <p>B. Price stability</p> <p>C. Full employment and price stability</p> <p>D. Unemployment and price instability</p>
2045	The gain from international trade are closely related to.	<p>A. the labor theory of value</p> <p>B. How much the autarky price differs from international terms of trade change.</p> <p>C. The fact that a country must lose from trade</p> <p>D. All of the above</p>
2046	Which of the following strategies have developing countries not used to deal with the problem of unstable export markets.	<p>A. Multilateral contracts</p> <p>B. Production and export controls</p> <p>C. Buffer stock arrangements</p> <p>D. Tariff rate quotas</p>
2047	Economic development can be achieved through stages, is the theory of.	<p>A. Rosenstein Rodan</p> <p>B. Leibenstein</p> <p>C. W.W. Rostow</p> <p>D. M.P. Todaro</p>
2048	What is the effect of imposing a fixed per unit tax on a good on its equilibrium price and quantity.	<p>A. Price falls, quantity rises</p> <p>B. Price rises, quantity falls</p> <p>C. Both price and quantity fall</p> <p>D. Both price and quantity rise</p>
2049	The movement to free international trade is most likely to generate short term unemployment in which industries'.	<p>A. Industries in which there are neither imports nor exports</p> <p>B. Import competing industries.</p> <p>C. Industries that sell to domestic and foreign buyers</p> <p>D. Industries that sell to only foreign buyers</p>
2050	When aggregate economic activity is declining, the economy is said to be in.	<p>A. A contraction</p> <p>B. An expansion</p> <p>C. A trough</p> <p>D. A turning point</p>
2051	The balance of trade can only worsen if income _____ relative to absorption	<p>A. Increases</p> <p>B. Decreases</p> <p>C. Adjustment mechanism</p> <p>D. Currency contract period</p>
2052	The IS curve shifts to the left when	<p>A. Taxes increase</p> <p>B. Government spending increase</p> <p>C. The money supply increases</p>

		<p>C. The money supply increases</p> <p>D. All of the above occur</p>
2053	Nationalism, self sufficiency, and imperial power were central concerns of.	<p>A. French physiocrats</p> <p>B. Thomas Malthus</p> <p>C. Mercantilists</p> <p>D. Adam Smith</p>
2054	A decline in planned investment spending unrelated to the interest rate focuses the equilibrium level of aggregate output to _____ and shifts the _ curve to the _____	<p>A. rise; Lm ; RIGHT</p> <p>B. RISE ; is; right</p> <p>C. fall ; IS; Left</p> <p>D. rise ; LM; left</p>
2055	Shifting cultivation is found in	<p>A. Tropical zone</p> <p>B. Sub tropical zone</p> <p>C. Both a and b</p> <p>D. None of these</p>
2056	In the ISLM framework the decreasing investment spending believed by Keynes to be the cause of the Great Depression would be illustrated by a shift of the ____ curve to the.	<p>A. IS ;right</p> <p>B. IS ;Left</p> <p>C. LM ; Left</p> <p>D. LM ; Right</p>
2057	A supply curve is directly affected by	<p>A. Technology</p> <p>B. Input costs</p> <p>C. <div>Government regulation</div></p> <p>D. All of the above</p>
2058	When oligopolistic firms interacting with one another each choose their best strategy given the strategies chosen by other firms in the market we have.	<p>A. A cartel</p> <p>B. The perfect competitive outcome</p> <p>C. The Nash equilibrium</p> <p>D. Monopolistic competition</p>
2059	The goal of a pure market economy is to best meet the desires of.	<p>A. Consumers</p> <p>B. Companies</p> <p>C. Workers</p> <p>D. The government</p>
2060	Injection are	<p>A. Assumed to be exogenous</p> <p>B. Assumed to be a function of national income</p> <p>C. Decrease aggregate demand</p> <p>D. Decrease the investment into an economy</p>
2061	Price discrimination occurs when	<p>A. A commodity has different elasticity in different markets</p> <p>B. Same elasticity in different markets</p> <p>C. Unitary elasticity different markets</p> <p>D. Noe of these</p>
2062	It provides systematic knowledge on problem and issues analyzed.	<p>A. Research report</p> <p>B. Research proposal</p> <p>C. Research abstract</p> <p>D. Research design</p>
2063	A benefit to consumers of price discrimination is that	<p>A. Some products are produced that would not other wise be produced</p> <p>B. Producer surplus increases</p> <p>C. Consumer surplus decreases</p> <p>D. Firms profits increase</p>
2064	The participation rate in the labour force is affected by	<p>A. Higher real wages</p> <p>B. Lower fixed costs of working</p> <p>C. Lower non labor income</p> <p>D. All of the above</p>
2065	The government performs its redistribution function mainly through.	<p>A. Trade practice legislation against anticipative behavior</p> <p>B. The provision of public goods</p> <p>C. Taxes and transfer payments</p> <p>D. Tariffs on imports</p>
2066	In autarky when a community maximizes its standard of living its production points is.	<p>A. Below the production possibility frontier</p> <p>B. On the production possibility frontier</p> <p>C. Above the production possibility frontier</p> <p>D. Can't tell without more information.</p>
2067	The accelerator assumes.	<p>A. The marginal propensity to consume is constant</p> <p>B. The economy is at full employment</p> <p>C. There is a constant relationship between net investment and the rate of change of output</p> <p>D. The multiplier is constant</p>

2068	Which of the following actions is an example of expansionary fiscal policy.	A. A decrease in welfare payments B. A purchase of government securities in the open market C. A decrease in the Bank rate D. A decrease in the corporate profits tax rates
2069	Theory is a set of systematically related propositions specifying causal relationship among variables is defined by	A. Black James and Champaign B. P.V. Young C. Emory D. Gibbes
2070	An allocation is Pareto efficient if no reallocation of resources would make some people _____ without making others	A. Worse off, worse off B. better off, better off C. better off, worse off D. equal, unequal
2071	If a country has a bowed out production possibility frontier then production is said to be subject to.	A. Constant opportunity costs B. Decreasing opportunity costs C. First increasing and then decreasing opportunity costs D. Increasing opportunity costs
2072	The Harrod -Domar models are based on the restrictive assumption of.	A. Increasing saving income ratio B. Decreasing saving income ratio C. Low saving income ratio D. Constant saving income ratio
2073	In the balance of payments, travel and tourism are included in the category of	A. unilateral transfers B. Capital account C. Merchandise account D. Services account
2074	According to the crowding out effect, if there is a government deficit, the real interest rate will _____ and investment will _____	A. rise ; rise B. fall ; rise C. rise ; fall D. fall ; fall
2075	In a recession, GDP.	A. Grows negatively B. Grows by 0% C. Grows slowly D. Grows rapidly
2076	A major advantage of monetary over fiscal policy is that monetary policy	A. Can be put into effect more quickly B. Affects all sectors of the economy equally C. Authorities are quicker to see the need for policy D. Has a more direct and predictable impact on spending.
2077	A vertical demand curve results in.	A. No change in quantity when the supply curve shifts. B. No change in price when the supply curve shifts C. No change in the supply curve being possible D. No change in quantity when the demand curve shifts.
2078	Macro economics is the study of.	A. Individual building blocks in the economy B. The relationship between different sectors of the economy C. Household purchased decisions D. The economy as a whole
2079	A drop in the price of compact disc shifts the demand curve for prerecord tapes leftward from that you know that compact discs and prerecorded tapes are.	A. Inferior goods B. Substitutes C. Complements D. Normal goods
2080	International trade in goods and services is sometimes used as a substitute for all of the following except.	A. International movement of capital B. International movement of labor C. International movements of technology D. Domestic production of different goods and services.
2081	Classical design is a type of	A. Basic research B. Applied research C. Action research D. Exploratory research
2082	The regression results indicate that the standard error of estimate is.	A. 135.94 B. 16.06 C. 28.98 D. 4.27

2083	Country A 's GNP is increasing by 3% a year in contrast to its population growth of 2.4% The rate of growth of per capita GNP is.	A. 3% B. 0.85 C. 0.6% D. 2.4%
2084	The market price of bonds can fluctuate depending on	A. How many bonds were sold B. Who bought the bonds C. The amount of the coupon D. The interest rate
2085	An entrepreneur who collects profits in the short run for a new invention is collecting.	A. The competitive rate of return on capital B. Temporary monopoly profit C. Rent D. A Ramsey surplus
2086	If the price was fixed below the equilibrium price there would be.	A. Excess supply B. Excess demand C. Equilibrium D. Down ward pressure on prices
2087	Which of the following is not among Restow's stage of growth.	A. The traditional society B. the age of low mass consumption C. The take off D. The dried to maturity
2088	The cost of using capital services is the	A. wage rate of capital B. Interest charges C. Marginal capital cost D. Rental rate for capital
2089	The cliché that "The punishment should fit the crime " originated in the writings of.	A. Plato B. Thomas Aquinas C. Jeremy Bentham D. David Hume
2090	Unlimited supply of labor means in developing countries that part of man power which even if is withdrawn from the process of production there will be no fallen output is the theory of.	A. Fei Ran B. M.P.P. Todaro C. Lewis D. Leibstein
2091	A set of systematically related propositions specifying causal relationships among variables.	A. Research B. Concept C. Theory D. Hypothesis
2092	A decline in the value of the rupee makes Pakistan goods cheaper relative to foreign goods, resulting in a _____ in net exports and a _____ shifts of the IS curve.	A. fall ; leftward B. rise ; leftward C. fall ; rightward D. rise ; rightward
2093	If the Bank of Pakistan wished to pursue an expansionary monetary policy it would.	A. Increase the minimum reserve asset ratio B. Sell government securities on the open market C. Buy government securities on the open market D. Raise interest rates.
2094	Holding all factors constant except one and increasing a variable factor is expected to lead to steadily decreasing marginal product of the factor this is an example of.	A. Decreasing returns to scale B. The law of diminishing returns C. Constant returns to scale D. an inefficient production technique
2095	M4 is a _____ measures of money and includes deposits at both _____ and	A. Narrow, banks, building societies B. Wide, banks, insurance companies C. narrow, banks, insurance companies D. Wide, banks, building societies.
2096	if we are told that the two statements $y = 3x^2$ and $y = x + 10$ are both true at the same time , they are called.	A. Implicit functions B. explicit functions C. Simultaneous equations D. Quadratic equations
2097	Which of the following explains why demand curves slope downward.	A. Prices and income B. substitutes and complements C. Resources and technology D. Substitution effect and income effect
2098	When we know the quantity of a product that buyers wish to purchase at each possible price we know.	A. Demand B. Supply C. excess demand D. Excess supply
		A. Equal to zero

2099	When the demand curve is a straight line the elasticity of demand at the center point will be.	B. infinite C. More than one D. Equal to one
2100	The concept of a jus pric that condemned market forces for yielding unjust results was developed in the writings of.	A. Antoine Augustin coumot B. Febius Maximus C. Karl Marx D. Thomas Aquinas
2101	Pure research also known as	A. Fundament research B. Action research C. Practical research D. applied research
2102	The gift exchange motive suggests that	A. Workers value benefits like health insurance more than job security B. Workers prefer a nice work environment even if they must accept lower wages. C. Workers who feel well treated will work harder and more efficiently D. Workers will shirk if they are paid a low wage
2103	The question "What is living? is important in	A. Eco centered ethics B. Animal centered ethics C. Life centered ethics D. Human centered ethics
2104	Which of the following would qualify as an aggregate demand shocks.	A. An unexpected increase in oil prices B. A seasonally expected increase in oil prices C. An unexpected reduction in consumer confidence D. an anticipated tax cut
2105	Which of the following is a stock variable.	A. Gross private domestic investment B. Personal savings C. Both a and b D. None of these
2106	An injection of funds into a less developed country might set off the	A. Multiplier B. Marginal propensity to save C. Average propensity to consume D. The Laffer effect
2107	Which of the following is not a basic assumption of perfect competition.	A. Free entry and exit B. Many small sellers and buyers C. Perfect information D. Short run
2108	When the value of the Rupee rises Pakistan goods become _____ expensive relative to foreign goods which ____ exports.	A. more ; iincreases B. less ; increases C. more ; decreases D. more ; increases
2109	If product an inferior good.	A. Demand is inversely related to income B. Demand is inversely related to price C. Demand is directly related to price D. Demand is inversely related to the price of substitutes
2110	The market demand for a product is found by	A. Horizontally summing the individual demand curves B. Vertically summing the indivial demand curves C. Both horizontally and vertically summing the individual demand curve. D. None of the above
2111	a nation with a current account deficit will be	A. Lending more money to other nations B. Experiencing a surplus in exports of goods and services. C. Reducing its indebtedness to other nations D. Going further into debt with other nations
2112	When the price level increases 25% starting from a price level equal to 100, a Rs. 1000 bond will have a real value of .	A. Rs. 800 B. Rs.1250 C. Rs.750 D. Rs.666
		A. Plato B. Thomas Aquinas

2113	The cliché that "the punishment should fit the crime" originated in the writing of.	B. Thomas Aquinas C. Jeremy Bentham D. David Hume
2114	Credit constitutes.	A. Saving made available to borrowers B. A form of liquid asset C. bank loans converted into commodity money D. Money used as a standard of deferred payment.
2115	Money or paper currency serves at least _____ functions.	A. Three B. Four C. Five D. Seven
2116	More trade and more and is the demand made by the	A. Developing countries B. Developed countries C. More developed countries D. Non developing countries
2117	According to Keynesian macro economics price adjust _____ to shocks, so the government should.	A. Slowly ; do little B. Rapidly ; do little C. Rapidly ; fight recessions D. Slowly ; fight recessions
2118	Absolute advantage is determined by.,	A. Actual difference in labor productivity between countries. B. Relative difference in labor productivity between countries. C. Both a and b D. neither a and b
2119	In monopoly there is.	A. Single seller B. Single buyer C. Two producers D. Few seller
2120	If the quantity of money demands is less than the quantity of money supplied then the interest rate will.	A. Either increases or decrease, depending on the amount of excess demand. B. Increase C. Decrease D. not change
2121	Effective branding will tend to make	A. Demand more price inelastic B. Supply more price inelastic C. Demand more income elastic D. Supply more income elastic
2122	A rise in planned investment spending unrelated to the interest rate causes the equilibrium level of aggregate output to _____ at shifts the _____ curve to the _____	A. rise ; LM ;right B. rise ; IS ; right C. Fall ; LM ; left D. rise ; IS ; right
2123	Per Capita income is obtained by dividing National income by	A. Total labor Force in the country B. Unemployed Youth in the country C. Total population of that country D. None
2124	Which of the following causes M1 demand to decrease.	A. A fall in the tax rate B. An increase in income C. A fall in the interest rate D. An increase in the use of credit cards
2125	An increase in the number of workers hired by a firm could result from	A. a decrease in the marginal product of labor B. a decrease in the marginal revenue product of labor C. An increase in the real wage D. A decrease in the real wage
2126	If a perfectly competitive industry is in long run equilibrium all firms will	A. Have a marginal costs B. Have identical supply curves C. Operate at the point where marginal cost just covers all variable costs D. Have equal fixed costs
2127	A reduction in interest rates, causes an increase in the monetary base that result in an _____ in the availability of consumer credit and a _____ in the cost of consumer credit.	A. Reduction, increases B. reduction, reduction C. increase, reduction D. increases, increases
2128	Disposable income is equal to.	A. National income Minus taxes B. Real GDP C. National income Minus taxes D. National income Minus taxes and depreciation

		D. National income Minus Taxes plus transfers
2129	Indifference curve theory is old wine in new labeled bottle is said by.	A. Marshall B. Griffin C. Ricardo D. Allen
2130	A system of systematically interrelated concepts, definitions and propositions that are devanched to explain and predict phenomena define dby	A. Jack gibbs B. PV Young C. Black D. Roae Arnold
2131	In the EMU a country's competitiveness can change because of.	A. Interest rate adjustment B. Central bank intervention i the forex C. Domestic wage and price adjustment D. Devaluations
2132	Which of the following is not included in gorses investment.	A. Business and residential constrction. B. Expenditures on consumer goods C. Additions to business inventory D. Expenditures on machinery
2133	Which of the following the most elastic demand the extra revenue a firm receives from the services of an additional unit of a factor of production.	A. Total revenue B. Marginal physical product C. Marginal revenues product D. Marginal revenue.
2134	An expenditure increasing policy would consist of an increase in	A. Import tariffs B. Import quotas C. Governmental taxes D. The money supply
2135	In 1980 the government of Pakistan promulgated.	A. the Modaraba Ordinance B. the Musharaika Ordinance. C. the Zakar ordinance D. the Ushar ordinance
2136	Why do people keep currency in their pockets when bank deposits pay interest.	A. Because banks might steal your money B. Because currency is more liquid C. Because bank deposits lose value due to inflation D. Because bank deposits lose value due to exchange in interest rates.
2137	A beneficial supply shock would cause.	A. A movement up the short run Phillips B. a movement down the short run Phillips curve C. The short run Phillips curve to shift upward and to the rights D. The short run Phillips curve to shift down ward and to the left
2138	The budget deficit tends to decrease when	A. GDP increases B. GDP decreases rapidly C. GDP remains unchanged D. GDP decreases slightly
2139	The impact of contractionary fiscal policy, according to new classical theory is that.	A. Real interest rates do not change B. Aggregate demand increase C. Current real output substantially decreases D. The price level substantially increases.
2140	The ____ lag for fiscal policy is generally ____ than it is for monetary policy.	A. Recognition ; shorter B. Recognition ; longer C. Implementation ; shorter D. Implementation ; longer
2141	In the Keynesian cross diagram an increasing investment spending because companies become more optimistic about investment profitability causes the aggregate demand function to shift _____ and the equilibrium level of aggregate output to rise and the IS curve to shift to the	A. up ; right B. up ; left C. down ;left D. down ; right
2142	An increase in autonomous consumer expenditure causes the equilibrium levelof aggregate output to _____ at any given interest rate and shifts the ____ curve to the	A. rise ; LM ;right B. rise ; IS ; right C. fall ; LM, Left D. rise ; IS ; Left
2143	The demand curve for labor for a monopolist when other inputs are fixed is equal to its	A. Marginal value product curve B. Marginal revenue product curve C. Horizontal summation of the firms demand curve at different output

		prices D. Marginal physical product curve
2144	The marginal product of labor	A. Is measured by the slope of the production function relating capital of employment B. Is larger when the labor supply is relatively larger C. Is smaller when the labor supply is relatively smaller D. Decreases as the number of workers already employed increases
2145	"The earlier predictions underestimated currency in circulation and treasury balances at the Fed, both of which drained reserves from the banking system" Lower reserves means.	A. Lower interest rates B. Lower money supply C. Lower unemployment D. Higher inflation
2146	A positive definite Hessian fulfills the second order conditions for	A. Maximum B. Minimum C. Both maximum and minimum D. Mini max
2147	An increase in the expected future marginal product of capital would cause the IS curve to.	A. Shift up and to the right B. Shift down and to the left C. Remain unchanged if firms face borrowing constraints otherwise shift down and to the left D. Remain changed
2148	If a few firms dominate an industry the market is known as.	A. Monopolistic competition B. Competitively monopolistic C. Duopoly D. Oligopoly
2149	Comparing a monopoly and a competitive firm the monopolist will.	A. Produce less at a lower price B. Produce more at a lower price C. Produce less at a higher price D. Produce less at a lower price
2150	Increases in minimum wage	A. Helps in controlling unemployment B. Increases unemployment C. Reduce wage bill D. None of these
2151	Union of A and a null set is equal is.	A. Intersection of A and null set B. Null set C. Both a and b D. A
2152	Absolute advantage is determined by	A. Actual difference in labor productivity between countries. B. Relative difference in labor productivity between countries. C. Both a and b D. Neither a nor b
2153	Changes in subjective or objective factors.	A. Never affect the consumption function B. Always cause downward shifts of the consumption function C. Always cause upward shifts of the consumption function D. May cause upward or downward shifts of the consumption function
2154	In perfect competition a firm is.	A. Price taker B. Price setter C. Independent D. Dependent
2155	If consumers spend 15 million a month on CDs, regardless of whether the price they pay goes up or down that implies that their price elasticity of demand for CDs is.	A. 0 B. 1 C. Infinite D. 15
2156	A current account deficit means that a country may.	A. Reduce its stock of foreign assets B. Increases its stock of foreign assets C. Increases its savings D. Increases its foreign currency reserves.
2157	In an economy experience high interest rates and high unemployment The ISLM frame work predicts that _____ policy has been too.	A. fiscal ; expansionary B. fiscal ; contractionary C. monetary ; expansionary D. monetary ; contractionary
		A. J.S.Mill B. Kant

2158	The school of deep ecology was founded by	B. Kant C. Naes D. Aristotle
2159	Absence of representatives are special feature of.	A. Research B. Content analysis C. Narrative method D. Case study
2160	In the Keynesian model in the long run a decrease in the money supply will cause ____ in the interest rate and ____ in the price level.	A. An increase ; an increase B. A decrease ; a decrease C. No change ; an increase D. No change ; a decrease
2161	The board pumps money out of the economy by	A. Buying bonds B. Selling bond C. Creating cash D. Lowering the reserve requirements.
2162	$AB = BA = 1$, then B is said to	A. Ad joint of matrix of A B. Inverse matrix of A C. Determinant of A D. Cofactor of a
2163	The monetary base is composed of.	A. Gold and silver B. Currency only C. Currency and reserves D. Currency and checkable deposits
2164	Comparative advantage is determined by	A. Actual difference in labor productivity between countries. B. Relative difference in labor productivity between countries. C. both a and b D. Neither a and b
2165	Government policies that focus on increasing production rather than demand are called.	A. Fiscal policies B. Monetary policies C. Incomes policies D. Supply side policies
2166	Last land reforms made in 1977 by	A. Z.A.Bhutto B. Zia ul Haq C. Nawaz Sharif D. None of these
2167	The set of 'stars in the sky' is an example of	A. Countable set B. Infinite set C. Finite set D. unit set
2168	Which of the following is likely to be longer for monetary policy than for fiscal policy.	A. The implementation lag B. The recognition lag C. Both a and b D. None of these
2169	Which of the following macro economic variables is the most seasonally procyclical.	A. Expenditure on services B. The unemployment rate C. Expenditure on durable goods D. The real wage
2170	A good example of a public good is.	A. Public transport B. National defense C. The national health service D. Rail transport
2171	Aggregate demand in an economy trading internationally with a government sector can be written as.	A. $AD = C + I$ B. $AD = C + I + G$ C. $AD = C + I + G + X + Z$ D. $AD = C + I + G + X - Z$
2172	When there is no change in central banking holding of international reserve balances a country's	A. Trade balance always equals 0 B. Current account balance always equals 0 C. Capital account balance always equals 0 D. Balance of payments always equals 0
2173	Sum of squares of the deviations about mean is.	A. Maximum B. Minimum C. zero D. one
2174	Government may contribute to inflationary pressure on account of building up large.	A. Numbers of employees B. Welfare plans C. Budget deficits D. Expenditure.

2175	In monopoly when abnormal profits are made.	<p>A. The prize set is greater than the marginal cost</p> <p>B. The price is less than the average cost</p> <p>C. The average revenue equals the marginal cost</p> <p>D. Revenue wquals total cost</p>
2176	Social welfare is maximized when a hedonistic calculus regulates all human action according to the interventionist liberal	<p>A. John Stuart Mill</p> <p>B. Thorstein veblen</p> <p>C. Milton Frideman</p> <p>D. Jeremy Bentham</p>
2177	Which of the following type of taxes is the most regressive.	<p>A. Income taxes</p> <p>B. Sales taxes</p> <p>C. Excise taxes</p> <p>D. None of these</p>
2178	Whose opinions have revolutionized the scope of macro economics.	<p>A. Adam Smith</p> <p>B. J.B. Say</p> <p>C. J.M. Keynes</p> <p>D. All of the above</p>
2179	In the long run in perfect competition	<p>A. Price = average= cost = marginal cost</p> <p>B. Price = average cost = total cost</p> <p>C. The price covers fixed cost</p> <p>D. total revenue = total variable cost</p>
2180	When referring to economic growth we normally refer to.	<p>A. Growth in actual real per capita output</p> <p>B. Growth in potential real per capita output</p> <p>C. Growth in actual nominal per capita output</p> <p>D. Growth in potential real per capita output</p>
2181	The tax is question 52 is	<p>A. Progressive's</p> <p>B. Regressive</p> <p>C. Proportional</p> <p>D. None of these</p>
2182	In a Boom	<p>A. Surpluses are likely to occur</p> <p>B. Prices are likely to fall</p> <p>C. supply will increase immediately to match demand</p> <p>D. Shortages may occur</p>
2183	Projects A,B,C,D,E cost Rs. 100, Rs. 200, Rs. 300, Rs. 400, and Rs. 500 with MEC's of 0.07, 0.06,0.09 ,0.10 and 0.11 respectively. The market rate of interest is 8% Total investment spending is	<p>A. Rs. 1500</p> <p>B. Rs.1300</p> <p>C. Rs.1200</p> <p>D. Rs.300</p>
2184	Predicting is the one important role in	<p>A. Deduction</p> <p>B. Induction</p> <p>C. Research</p> <p>D. Vertifiability</p>
2185	During the early years of the Great depression there was a significant decrees n the the money supply that causes. the _____ to shift _____	<p>A. LM ; Leftward</p> <p>B. LM ; rightward</p> <p>C. IS ; Leftward</p> <p>D. IS ; rightwards</p>
2186	Economic growth is shown on the production possibility frontier as.	<p>A. The curvature of the PPF</p> <p>B. An inward shift in the PPF</p> <p>C. An outward shifts in the PPF</p> <p>D. A movement from one point on the PPF to another</p>
2187	A production function for a firm which produces a product with two or more inputs.	<p>A. Represents a physical relationship between outputs for a specified set of inputs</p> <p>B. Indicates the least cost combinations of inputs for a given output</p> <p>C. Relates revenues and costs</p> <p>D. Indicates the dollar cost for each level of ouput.</p>
2188	Given or known values in an equation are called.	<p>A. Constants</p> <p>B. Parameters</p> <p>C. Coefficients</p> <p>D. All of the above</p>
2189	Union of A with B is same as union of B with A, that is $A \cup B = B \cup A$ is termed as	<p>A. Associative law of union</p> <p>B. Cumulative law of union</p> <p>C. Reflective law</p>

		D. All the above
2190	All of the following are types of imperfect competition except	A. Monopolistic competition B. Oligopoly C. Monopoly D. Unfair competition
2191	When unintended investment is positive	A. Output tends to rise B. Output tends to fall C. Output is in equilibrium D. None of these
2192	The search for answers to research questions is called collection of	A. Facts B. Evidences C. Data D. Reasons
2193	The view which allows only use value of nature is known as.	A. Deep ecology B. Shallow ecology C. Life ecology D. None of these
2194	Suppose the demand curve for a good shifts rightward, causing the equilibrium price to increase this increase in the price of the good results in.	A. A rightward shift of the supply curve B. An increase in quantity supplied C. A leftward shift of the supply curve D. A leftward movement along the supply curve
2195	Exchange rate overshooting often occurs because.	A. Domestic prices adjust slowly to shifts in demand B. Military spending increases during military's conflicts C. Elasticities are smaller in the long run than the short run D. Elasticities are smaller in the short run than the long run.
2196	Acquisition and merger are examples of.	A. Internal growth B. External growth C. Organic growth D. Underlying growth
2197	According to time criterion, a person is called unemployed if he works in a week.	A. More than 20 hours B. More than 45 hours C. More than 35 hours D. Less than 35 hours
2198	change in quantity demanded	A. Downward shift of demand curve B. Movement on the same demand curve C. Downward shift D. None of these
2199	Markets sometimes fail to exist because of.	A. Externalities B. the free rider problem C. Poor transport D. a and b
2200	The theory of overlapping demands predicts that trade in manufactured goods is unimportant for countries with very different.	A. Tastes and preferences B. Expectations of future interest rate levels C. Per capita income levels D. Labor productivities
2201	If the price of orange juice rises 10% and as a result the quantity demanded falls by 8% the price elasticity of demand for orange juice is.	A. -1.25 B. Inelastic C. Both a and b D. Neither A nor B above
2202	As long as the principle of diminishing marginal utility is operating any increased consumption of good.	A. Lowers total utility B. Produces negative total utility C. Lower marginal utility and therefore total utility D. Lowers marginal utility, but may raise total utility.
2203	The supply of foreign currency tends to be	A. upward sloping B. downward sloping C. Vertical D. any of the above
2204	International trade in goods and services is sometimes used as a substitute for all of the following except.	A. International movements of capital B. International movement of labor C. International movement of technology D. Domestic production of different goods and services

2205	As the MPS increases, the multiplier will	A. Increase B. Either increase or decrease depending on the size of the change in investment C. Remain constant D. Decrease
2206	A public good will	A. Be underprovided in the free market B. Be overprovided in the free market C. Not be provided in the free market D. Has no opportunity cost
2207	Which of the following assets is most liquid.	A. Shares of stock in IBM B. Land C. Gold D. Currency
2208	According to the supply side model a reduction in the tax rate.	A. Could reduce the size of any budget deficit B. Would have no effect on output C. Would have no effect on consumption D. None of the above
2209	The product cycle theory of trade is essentially a	A. Static short run trade theory B. Dynamic, long run trade theory C. Zero sum theory of trade D. Negative sum theory of trade
2210	The conjecture that inequality first increases with development then decreases with further development has been	A. Strongly supported by most studies B. Supported mainly by cross section not time series studies. C. Supported mainly by time series not cross section studies D. Generally repudiated by empirical studies.
2211	Suppose your company is in equilibrium with its capital stock at its desired level. A permanent increase in the depreciation rate now has what effect on your desired capital stock.	A. Raises it because the future marginal productivity of capital is higher B. Lowers it because the future marginal productivity of capital is lower C. Raises it because the user cost of capital is now lower D. Lowers it because the user cost of capital is now higher
2212	Which of the following is NOT a component of M-2	A. Small time deposits B. Money market mutual funds C. Stocks D. Checkable deposits
2213	The AD, SRAS, and LRAS curve each show a relationship between which two economic variables.	A. The aggregate price level and output B. The aggregate price level and the interest rate C. Output and unemployment D. Output and the interest rate.
2214	Less demand in the economy may increase unemployment; this may lead to less spending which may reduce demand further. This is called.	A. The upward accelerator B. The downward multiplier C. The upward PPF D. The downward MPC
2215	If the demand curve for a good is horizontal and the price is positive, then a leftward shift of the supply curve results in.	A. a price of zero B. An increase in price C. A decrease in price D. No change in price
2216	The costs of inflation are	A. Shoe leather costs B. Menu costs C. Income redistribution D. All of the above
2217	If the estimated values of Y and P _y in 1987 are Rs. 20,000 and Rs. 6 respectively, what is the maximum price of X.	A. Rs.420 B. Rs.240 C. Rs.300 D. Rs.360
2218	World Bank was established at the Bretton Woods conference in.	A. 1942 B. 1944 C. 1943 D. 1940

A. Union

2219	Collection of well defined distinct objects thought of as a whole is called	B. Derivative C. Set D. Integral
2220	Foreign capital formation includes	A. Foreign direct investment B. Grants C. Loans D. All of these
2221	Who said that research studies have differing degree of purity and applicability.	A. Faraday B. Julious Smon C. Morry D. Bogardus
2222	If export's are a constant proportion of GNP such that $E = 18 \text{ GNP}$, find the level of imports that would represent a zero trade balance when $\text{GNP} = 10,000$	A. 180 B. 555 C. 1,800 D. 5,555
2223	The law of inertia of large numbers means.	A. Opposite of the law of statistical regularity. B. Same to the law of statistical Regularity C. Sample in large numbers create big variations in results. D. opposite to the mathematical theory of probability
2224	the difference between actual and planned expenditure is equal to.	A. X-M B. M- X C. Unplanned inventory change D. Excess reserves of depository institutions.
2225	According to the cost based definition of dumping dumping occurs when a firm sets a product abroad at a price that is less than	A. Average total cost B. Average variable cost C. Average foxed cost D. Marginal cost
2226	Who own the random number table which comprising of 15,000 digits arranged in twos.	A. <div>Kendall and B.B. Smith</div> B. L.H.C. Tippet C. British Census report D. Fisher and Yates
2227	Who stated statistics as 'aggregate of knowledge brought together for practical ends.	A. W.I. King B. A.L Bowley C. Prof. H secrist D. None of the above
2228	Menu costs in relation to inflation refer to	A. Costs of finding better rates of return B. Costs of altering price lists C. Costs of money increasing its value D. Costs of revaluing the currency
2229	If a price increase of good A increases the quantity demanded of good B, then good B is a.	A. substitute good B. Complementary good C. Bargain D. Interior good
2230	According to the Laffer curve as tax rates increase tax revenues.	A. Decrease continuously. B. Initially decrease and then increase C. Rise continuously D. Initially increase and then decrease
2231	Personal income is obtained by adding which items to national income	A. Govt. transfer payments B. Business transfer payments C. Both a and b D. None of these
2232	What is the process of summarizing raw data and displaying them on compact statistical tables for further analysis.	A. Statistical analysis B. Data processing C. Tabulation D. Table construction
2233	Comparative advantage is determined by	A. Actual difference in labor productivity between countries. B. Relative difference in labor productivity between countries. C. Both a and b D. Neither a nor b
2234	A firm that breaks even after all economic costs are paid is earning.	A. Economic profit B. Accounting profit C. Normal profit D. Supernormal profit

2235	In the Keynesian cross diagram an increasing investment spending because companies become more optimistic about investment profitability causes the aggregate demand function to shift _____ and the equilibrium level of aggregate output to rise and the IS curve to shift to the _____	A. up ; right B. up ; left C. down ;left D. down ; right
2236	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
2237	Transit Trade Agreement between Pakistan and Afghanistan ws signed at Kabul on.	A. March 2 , 1962 B. March 2, 1963 C. March 2, 1964 D. March 2, 1965
2238	A inverse is defined only if A is a	A. Square matrix B. Column vector C. Orthogonal matrix D. Skew symmetric matrix
2239	If the nominal money supply doubles while real money demand is unchanged what happens to the price level.	A. The price level increases by a factor of four B. The price level doubles C. The price level is unchanged D. The price level falls by one half.
2240	If one car company takes over another car company this is an example of which type of integration.	A. Vertical B. Horizontal C. Conglomerate D. Literal
2241	The function $y = 2x + 1$ and $x = 1/2 y - 1/2$ are said to be.	A. Non linear functions B. Inverse functions C. Step functions D. All the above
2242	The downward kinked demand curve facing the individual oligopolistic implies that	A. He face price certainty B. Competitors have a tendency to follow price decreases but not price increase C. Total revenue remains same if a firm increases price D. None of these
2243	Which of the following is often considered to be inconsistent with the notion of perfect competition.	A. Large number of firms B. Free entry C. Complete mobility D. None of these
2244	If demand is _____ then price cuts will _____ spending.	A. Inelastic, increase B. Elastic, increase C. Elastic, decreases D. None of the above
2245	Which exchange rate mechanism is intended to insulates the balance of payments from short term capital movements while providing exchange rate stability for commercial transactions.	A. Dual exchange rates B. Managed floating exchange rates C. Adjustable pegged exchange rates D. Crawling pegged exchange rates.
2246	If the Nominal GNP of an economy rose from Rs. 5000 to 5500 between 1985 and 1986 while the price index rose from 100 to 110 during the same period real GNP	A. Fell by 10% from 1985 to 1986 B. Rose by 10% from 1985 to 1986 C. Remained constant from 1985 to 1986 D. Fell by 1% from 1985 to 1986
2247	A decrease in the legal reserve ratio from 25% to 20% will	A. Result in light money B. Be contractionary C. Increases excess reserves and the potential money multiplier D. Decrease excess reserves and the potential money multiplier
2248	An increase in the real wage rate will cause.	A. The labor demand curve to shift to the right B. The labor demand curve to shift to the left C. The quantity of labor demanded to rise D. A movement along the labor demand curve
2249	In the circular flow we would expect leakages to _____ injections.	A. equal B. be less than C. by greater than D. Be less or greater than
2250	_____ is a policy of managing the aggregate demand and supply.	A. Aggregate demand management. B. Aaggregate supply management

2250	The use of micro economics policies to smooth or moderate the business cycle is known as.	<p>A. Automatic stabilization</p> <p>B. Discretionary policy</p>
2251	One of the transmission mechanism of monetary policy is through consumer house hold wealth._____ and consumption.	<p>A. rise, increases, increases</p> <p>B. rise, falls, increases</p> <p>C. rise, increases, falls</p> <p>D. rise, falls, falls</p>
2252	A statistic in inferential statistics is related to which of the following.	<p>A. Sample</p> <p>B. Population</p> <p>C. Both a and b</p> <p>D. None of these</p>
2253	Which of the following is an example of a normative statement.	<p>A. Since this good is bad for you, you should not consume it.</p> <p>B. this good is bad for you</p> <p>C. If you consume this good you will get sick</p> <p>D. People usually get sick after consuming this good</p>
2254	Open market operations occur when the government.	<p>A. Reduces the interest rate</p> <p>B. Buys and sells bonds and securities</p> <p>C. Increases taxation</p> <p>D. Increases the exchange rate</p>
2255	A single value that represent the average characteristics of tis frequency distribution.	<p>A. quarterlies</p> <p>B. Grouped data</p> <p>C. Central tendency</p> <p>D. Range</p>
2256	Automatic stabilizers	<p>A. Counter balance fluctuations in economic activity.</p> <p>B. Reinforce fluctuations in economic activity</p> <p>C. Do not occur when the economy falls into recession</p> <p>D. Reduces the size of the deflationary gap</p>
2257	An advocate of the classical model of the economy would claim that unemployment a created when the _____ is above its equilibrium level in the.	<p>A. Price level, agregate economy</p> <p>B. Tax rate, government ebudget</p> <p>C. Wage rate, labour market</p> <p>D. Interest rate, market for loanable funds</p>
2258	According to Lincoln, I. Chao what is the primary objective of modern statics.	<p>A. Presentation of data</p> <p>B. Collection of quantitative data</p> <p>C. Assisting in making decisions</p> <p>D. Summarization of data</p>
2259	What is the refers to any collection of specified group of human beings	<p>A. Sampling</p> <p>B. Random sampling</p> <p>C. Non probability sampling</p> <p>D. Population</p>
2260	An increase in price all other things unchanged leads to.	<p>A. A shift in supply out wards</p> <p>B. A shift in supply in wards</p> <p>C. A contraction of supply</p> <p>D. An extension of supply</p>
2261	Industrial policies intended to foster comparative advantage for domestic industries could result in the implementation of.	<p>A. Research and development subsidies.</p> <p>B. Loan guarantees</p> <p>C. Low interest rate loans</p> <p>D. All of the above</p>
2262	In a recession a government.	<p>A. Is likely to want to increase demand in the economy</p> <p>B. Is likely to want to decrease demand in the economy</p> <p>C. Is likely to want to stabilize demand in the economy</p> <p>D. Is likely to want to increase supply in the economy</p>
2263	in the Keynesian cross diagram, a decrease in investment spending because companies become more pessimistic about investment profitability causes the aggregate demand function to shift _____ the equilibrium level of aggregate output to fall and the IS curve to shift to the.	<p>A. up ; left</p> <p>B. up ; right</p> <p>C. down ; left</p> <p>D. down ; right</p>
2264	Deflation occurs only when	<p>A. Some prices fall but average prices still rise</p> <p>B. All prices for all goods fall</p> <p>C. The average price level falls</p> <p>D. The average price level increases bat at a slower rate than before</p>

2265	Your checking account is	<p>A. An asset for you and a liability for your bank</p> <p>B. A liability for you and an asset for your bank</p> <p>C. An asset for both you and your bank</p> <p>D. A liability for both you and your bank</p>
2266	A 15% VAT is a.	<p>A. Proportional income tax</p> <p>B. Fixed excise duty</p> <p>C. Ad valorem indirect tax</p> <p>D. None of the above</p>
2267	When the level of income _____ there will be tendency for the trade balance to improve as imports.	<p>A. Increases, increase</p> <p>B. falls, fall</p> <p>C. Increase, fall</p> <p>D. fall , increase</p>
2268	The philippic curve is the relation between inflation and unemployment that hold for a given natural rate of unemployment. and a	<p>A. Given rate of inflation</p> <p>B. Given expected rate on inflation</p> <p>C. Given level of unemployment</p> <p>D. Given expected level of unemployment</p>
2269	According to the factor endowment model of Hackshcer and Ohlin countries heavily endowed with land will.	<p>A. Devote excessive amounts of resources to agricultural production.</p> <p>B. Devote insufficient amounts of resources to agricultural production</p> <p>C. Export products that are and intensive.</p> <p>D. Import products that are land intensive</p>
2270	A monetary action consistent with the central bank selling bonds in the open market would be.	<p>A. An increase in the reserve ratio</p> <p>B. A reduction in the discount rate of interest</p> <p>C. An increase in government spending.</p> <p>D. a reduction in excise taxes</p>
2271	An increase in the costs of production will	<p>A. Shift demand out wards</p> <p>B. Shift demand in wards</p> <p>C. Shift supply out wards so more is supplied at each and every price all other things unchanged.</p> <p>D. Shift supply inwards</p>
2272	The "Law of demand" states that other things remaining the same the quantity demanded of any good is.	<p>A. Directly related to its price</p> <p>B. Positively related to its price</p> <p>C. Inversely related to its price</p> <p>D. Directly elated to the supply of the good</p>
2273	Indifference curve approach is also called.	<p>A. Law of diminishing marginal utility</p> <p>B. Law of substitution</p> <p>C. Ordinal measure approach</p> <p>D. None of these</p>
2274	In monopoly in long run equilibrium.	<p>A. The firm is productively effieient</p> <p>B. The firm is allocatively inefficient</p> <p>C. The firm produces where marginal cost is less than marginal revenue</p> <p>D. The firm produces at the sociality optimal level</p>
2275	Which of the following would decrease aggregate demand.	<p>A. Increased consumption</p> <p>B. Increasing export revenue</p> <p>C. Increased taxation revenue</p> <p>D. Increased investment</p>
2276	Given fixed exchange rates assume Pakistan initiates contractionary monetary ad fiscal policies to combat inflation. these policies will also.	<p>A. Reduce a balance of payments surplus</p> <p>B. Reduce a balance of payments deficit</p> <p>C. Increases both imports and exports</p> <p>D. Decrease both imports and exports</p>
2277	According to the factor price equalization theorem, the _____ factor should oppose free trade policies in any given country.	<p>A. Abundant</p> <p>B. scarce</p> <p>C. Neither</p> <p>D. Can't tell without more information</p>
2278	We cannot say whether one allocation of resources is better than another allocation because.	<p>A. some people cant count</p> <p>B. Some people may not be permanent residents</p> <p>C. Not all economic activity is legal</p>

		D. We cant make value judgements to compare different people welfare.
2279	Skills that embodied in a person are called	A. Human capital B. Emboded skills C. Physical capital D. Expeneces skills.
2280	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
2281	The fundamental reason people must choose which goods to buy and consume is because of.	A. Scarcity B. Specialization C. People engaging in exchange D. The fact there are many different economic agents
2282	What are the two broad functions of statistical methods in social research.	A. Description and summarizing B. Description and indication C. Description and induction D. Applied Mathematics and induction
2283	If both supply and demand for a good increase at the same time which of the following must also increase	A. The equilibrium price B. The use of substitutes C. The equilibrium quantity D. All of the above
2284	Which financial instruments provide a buyer the right to purchase or sell a fixed amount of currency at a prearranged price within a few days to a coupled of years.	A. Letter of credit B. Foreign currency option C. Cable transfer D. Bill of exchange
2285	The purpose of fiscal policy is to	A. Alter the direction of the economy B. Change people's attitudes toward governemnt C. Educate people as to the importance of economics D. Offer insight into the way thing work
2286	To be allocatively efficient ta firm must produce where	A. the total cost equals demand B. the average revenue equals the marginal revenue C. The price equals the average cost D. The price equals the marginal cost
2287	If B is a subset of A, then $A \cup B =$	A. B B. Intersection of A and B C. A D. None of these
2288	With fixed exchange rates and no private currency flow, when the central bank buys domestic currency the domestic money supply is.	A. Increased B. Unaffected C. Reduced D. All of the above
2289	In order of practice price discrimination which of the following is needed.	A. Some degree of monopoly power B. An ability to separate the market C. An ability to prevent reselling D. All of the above
2290	The quantity theory of money says that changes in _____ lead to equivalent changes in _____ but have no effect on.	A. Prices, wages, output and employment. B. Output, prices, employment C. Nominal money, the price level output and employment. D. Nominal money output prices
2291	Fiscal policy is purposeful movements in _____ designed to direct an economy	A. Interest rate B. Legal structures C. Government regulations D. D Government spending and taxes
2292	In monopolistic competition if firms are making abnormal profit other firms will enter and	A. The marginal cost will shift outwards B. the demand curve will shift inwards C. The average cost will shift downwards D. The average variable cost will increase
2293	If an individual has a money income M of Rs. 999 , the price of X is rs.7.00 per unit and ithe price of Y is Rs. 300 per unit find the equation for the budget lines.	A. $Y = 333 - (7/3) x$ B. $Y = 142 - (7/3) x$ C. $Y = 142 - (3/7) x$ D. $Y = 323 - (7/3) x$

2294	In the neoclassical theory of growth a higher saving rate leads to.	A. A higher growth rate B. A fluctuating growth rate C. A lower growth rate D. No change in the growth rate
2295	R.M. Solow in his model assumes that the prices and wages are.	A. Flexible B. Non flexible C. Rigid D. None of these
2296	The aggregate supply of labor is the	A. Total amount of time a person works over his or her lifetime B. Total amount of time a person spend in the labor force over his or her life time C. Unemployment rate D. Sum of the labor supplied by everyone in the economy
2297	If tastes are identical between countries than comparative advantage is determined by	A. Supply conditions only B. Demand conditions only C. Supply and demand conditions D. Can't tell without more information.
2298	A firm charges Rs. 800 for its unique word processor. If total revenue is Rs. 56,000 in July, how many word processor were sold that month.	A. 70 B. 95 C. 700 D. 800
2299	Short run equilibrium output means that aggregate demand _ actual output	A. is less than B. equals C. is greater than D. fluctuates around
2300	A temporary decrease in government purchases would cause.	A. A rightward shift in the saving curve and a leftward shift in the investment curve B. A rightward shift in the saving curve and a rightwards shift in the investment curve. C. A right ward shift in the saving curve but no shift in the investment curve D. No shift in the saving curve but a left ward shift in the investment curve.
2301	The term of trade is given by the process.	A. Paid for all goods exported by the home country B. Received for all goods exported by the home country C. Received for exports and paid for imports. D. Of primary product as opposed to manufactured products.
2302	The money multiple tells us teh ultimate increase in.	A. The income level due to an increase in the money base B. The money supply due to an increase in the money base. C. The money supply due to an increase in the income level D. The income level due to an increase in the money supply
2303	An Engel curve is based on which one of the following assumptions.	A. Constant prices, very incomes B. Constant price, constant income C. Constant incomes, varying prices D. None of these
2304	If input price adjusted very slowly to output prices, the Phillip's curve would be.	A. Downward sloping B. Vertical or nearly vertical C. Upward sloping D. Horizontal or nearly horizontal
2305	If the Bank of Pakistan wished to pursue a tight monetary policy is would.	A. Sell government securities on the open market. B. Reduce the minimum reserve asset ratio C. Buy government securities on the open market. D. Lower interest rates
2306	If the estimated values of Y and Py in 1987 are Rs. 30,000 and Rs. 8 respectively the marginal revenue of X is.	A. 260 - 160 x B. 420 - 4Qx C. 240 - 16 Px D. 80 - 4Qx

2307	_____ are quotas that lead to a complete abolishment of trade.	A. Embargoes B. Voluntary export restraints C. Nontariff barriers D. Orderly marketing agreements
2308	Firm A's annual profit is.	A. Rs.10,000 B. Rs.20,000 C. Rs.30,000 D. Rs.60,000
2309	In a private sector model	A. Household saving is a leakage from the circular flow B. Investment is a spending injection C. All of the above D. None of the above
2310	The econometric problem of errors in variables leads to	A. Biased estimates of regression coefficients. B. Autocorrelation C. Unbiased estimates of regression coefficients but non minimum variance of estimated coefficients. D. None of the above
2311	The supply curve of a perfectly competitive firm	A. Includes the upward sloping portion of the marginal cost B. Is equal to entire margin cost C. Includes the downward sloping portion of marginal cost D. None of these
2312	A consumer is said to be in equilibrium when the marginal utility and price of a commodity	A. More B. Less C. Irrelevant D. Equal
2313	Which of the following is a NOT component of M-2.	A. Small time deposited B. Money market mutual funds C. Stocks D. Checkable deposits
2314	In the 1930s, when Keynes was alive a expansionary fiscal policy taking everything else constant would have led to.	A. A relative large increase in Y, a smaller increase in P B. A relative large increase in P, a smaller increase in Y C. Both Y and P increasing with an percentage D. Only Y increase