

## ICS Part 2 Economics English Medium Chapter 7 Online Test

| Sr | Questions   | Answers Choice  |
|----|---|---|
| 1  | Policy of Protection in trade   | A. Facilitates trade<br>B. Protects local producers<br>C. Protects foreign producers<br>D. Protects exporters                             |
| 2  | What would encourage trade between two countries.                         | A. Reduced tariffs<br>B. Quality control<br>C. Different tax system<br>D. Fixing import quotes  |
| 3  | Pakistan imports some goods and exports other goods primarily because of. | A. Free goods<br>B. Comparative advantage<br>C. Unemployment<br>D. Self Sufficiency   |
| 4  | Foreign Trade   | A. Increases employment opportunities<br>B. Increases international mobility of labour<br>C. Increases competition<br>D. All of the above |
| 5  | In foreign trade protection policy means.                                 | A. Restrictions on imports<br>B. Restrictions on exports<br>C. Restriction on transfer of foreign exchange<br>D. All of the above         |
| 6  | Net exports equal   | A. Exports x imports<br>B. Exports + imports<br>C. exports- imports<br>D. None of the above   |
| 7  | Foreign trade creates among countries.                                    | A. Conflicts<br>B. Cooperation<br>C. Hatred<br>D. None  |
| 8  | Ric countries have deficit in their balance of payments                   | A. Some times<br>B. Never<br>C. Alternate years<br>D. Always  |
| 9  | Govt policy about exports and imports is called.                          | A. Monetary policy<br>B. Fiscal policy<br>C. Commercial Policy<br>D. Finance policy   |
| 10 | Which of the following is international trade                             | A. Trade between provinces<br>B. Trade between countries<br>C. Trade between regions<br>D. Trade between continents                       |
| 11 | What would encourage trade between two countries.                         | A. Different tax system<br>B. Frontier checks<br>C. National currencies<br>D. Reduce tariff   |
| 12 | Pakistan is not a member of   | A. IMF<br>B. ECO<br>C. OPEC<br>D. World Bank  |
| 13 | A Triff   | A. Increase the volume of trade<br>B. Reduces the volume of trade<br>C. Has no effect on volume of trade<br>D. a and c above              |
| 14 | Two countries can gain from foreign trade if                              | A. Cost ratios are different<br>B. Tariff rates are different<br>C. Price ratios are different<br>D. a and c above                        |
| 15 | International trade and domestic trade differ because of.                 | A. Trade restrictions<br>B. Immobility of factors<br>C. Difference govt Policy  |

D. All of the above

16 Theory of comparative advantages was presented.

A. Ricardo  
B. Adam Smith  
C. Hicks  
D. Arshad

17 Foreign Trade are

A. Benefits developed countries  
B. Benefits underdeveloped countries  
C. Benefits all countries  
D. Benefits democratic countries

18 Trade between two countries can be useful if cost ratios of goods are.

A. Equal  
B. Different  
C. Undetermined  
D. Decreasing

19 All are advantages of foreign trade Except.

A. People get foreign exchange  
B. Difference in political system  
C. Difference in markets  
D. Difference in ideology

20 If Japan and Pakistan start free trade difference in wages in two countries will

A. Increase  
B. Decrease  
C. Double  
D. No effect