

NAT II Management Science Economy

Sr	Questions	Answers Choice
1	If total expenditure decrease with the rise in prices elasticity of demand will be:	A. Equal to unity B. Less than unity C. Greater than unity D. Equal to zero
2	The Diamer Bhasha Dam will be completed in :	A. 2009 B. 2010 C. 2012 D. 2015
3	If money supply is fixed by the central bank then in interest rate money supply space, money supply curve will be:	A. Horizontal B. Vertical C. Negatively sloped D. Positively sloped
4	Under the kinked demand curve model, an increase in marginal cost will lead to:	A. <div>An increase in output level and a decrease in price.</div> B. <div>A decrease in output level and an increase in price.</div> C. <div>A decrease in output level and no change in price.</div> D. <div>Neither a change in output level our a change in price.</div>
5	During 2005-06 maize was grown on an area of 982 thousand hectares and its production was:	A. 3.5 million tones B. 4.2 million tones C. 5.2 million tones D. 6.7 million tones
6	What is the interest rate effect that explains why the aggregate demand curve slopes downward?	A. It refers to the effect of changes in the price level on quantity of investment demanded which in turn affects interest rates B. <div>It refers to the effect of interest rates on borrowing which in turn affects consumption spending. </div> C. It refers to the effect of changes in the price level on interest rates which in turn affects the quantity of investment demanded D. It refers to the shifts in aggregate demand when interest rates change
7	Welfare economics is the branch of economics which deals with:	A. Positive issues B. Normative issues C. Micro issues D. Macro issues
8	In 2005-06 the real GDP growth of USA was 3.5 percent, of China 9.9 percent, Japan 2.7 percent, India 8.0 percent and of Pakistan was:	A. 6.6 percent B. 1.6 percent C. 4.6 percent D. 5.0 percent
9	The total cost (TC) function is given as: TC = 200 + 5Q. What is the fixed cost?	A. 5Q B. 5 C. 5 + (200/Q) D. 200
10	How much amount was allocated for Prime Minister's special intiative for livestock during 2005-06?	A. Rs. 672 million B. Rs. 812 million C. Rs. 1,696 million D. Rs. 2,400 million
11	The production of gram in 2005-06, in thousand tons was:	A. 450 B. 500 C. 527 D. 750
12	Which of the following economists came up with a theory regarding the tradeoff between unemployment and inflation?	A. A.W. Phillips B. John Maynard Keynes C. Joseph Schumpeter D. Milton Friedman
		A. Marshall

A. Marshall

13	Which economist presented the Cardinal Theory of Utility:	B. Canon C. Kroose D. J.B. Say
14	Which sector contributed to 22 percent to GDP in Pakistan in 2005-06?	A. Services B. Transport C. Mining D. Agriculture
15	During 2005-06, the construction sector contributed 9.2 percent to GNP and the share of fishing was:	A. 9.2percent B. 4.4percent C. 1.9percent D3.6percent
16	The quality of a commodity which satisfies the human wants:	A. Usefulness B. Loss C. Utility D. Return
17	To find the profit maximizing level of output, a firm finds the output level where:	A. Price equals marginal cost B. Marginal revenue and average total cost C. Price equals marginal revenue D. None of the given options
18	Who wrote "The Nature and Significance of Economics":	A. Adam Smith B. Marshall C. Robbins D. Keynes
19	Macro Economics was introduced by	A. Alfred Marshall B. J.M. Keynes C. N.W. Senior D. J.B. Clark
20	The aggregate supply curve is the relationship between:	A. <div>The price level and the real domestic output purchased</div> B. <div>The price level and the real domestic output produced</div> C. <div>The price level which producers are willing to accept and the price level purchasers are willing to pay.</div> D. <div>The real domestic output purchased and the real domestic output purchased and the real domestic output produced.</div>