

NAT II Management Science Economy

Sr	Questions	Answers Choice
1	Inflation on prices:	A. Decrease B. Remains constant C. Increase D. Become zero
2	In 2005-06, the crop area of sugarcane in thousand hectares was:	A. 540 B. 642 C. 756 D. 907
3	In 2005-06 the growth rate of Saudi Arabia was 6.5 percent, Kuwait 8.5 percent and Bangladesh 5.8 percent. What was the growth rate of Iran?	A. 4.2 percent B. 3.1 percent C. 6.7 percent D. 5.9 percent
4	Which of the following will be TRUE if real income rose and the interest rate fell following an increase in government purchases?	A. IS curve must be vertical B. LM curve must be vertical C. Central Bank must have increased the money supply at the same time D. Central Bank must have decreased the money supply at the same time
5	When price falls supply:	A. Expands B. Contracts C. Remains zero D. Becomes fixed
6	The economy gets prosperity during:	A. Recession B. Boom C. Depression D. Recovery
7	Which of the following is TRUE for a Giffen good?	A. Its marginal utility is zero B. Its demand curve is perfectly elastic C. Its substitution effect is positive D. Its demand curve is positively sloped
8	Phases of trade cycle are:	A. One B. Three C. Two D. Four
9	How many methods can be used for cultivation:	A. One B. Two C. Three D. Four
10	In the FY 2005-06 the GDP growth rate of Euro area was 1.3 percent, the developing nations 8.6 percent and the world was:	A. 3.5 percent B. 4.8 percent C. 4.5 percent D. 5.5 percent
11	As more of a good is consumed, then total utility typically:	A. Increases at a decreasing rate. B. <div>Decreases as long as marginal utility is negative</div> C. <div>Decreases as long as marginal utility is positive</div> D. <div>Is negative as long as marginal utility is decreasing.</div>
12	Which sector contributed to 22 percent to GDP in Pakistan in 2005-06?	A. Services B. Transport C. Mining D. Agriculture
13	A tax on the accounting profits of corporations is known as:	A. Sales tax B. Excise tax C. Corporate income tax D. Personal income tax
14	Due to devaluation exports become:	A. Smaller B. Larger C. -

		C. Cheaper D. Expensive
15	Name the water project to be completed in April 2009:	A. Gomal Zam Dam B. Rainee Canal C. Kachhi Canal D. Mirani Dam
16	Who described Economics as a science of wealth:	A. Piguo B. Adam Smith C. Robbins D. Marshall
17	Average revenue is equal to:	A. Price B. Total revenue C. Marginal revenue D. Average cost
18	A monopolistically competitive firm in short run equilibrium:	A. <div>Will make negative profit (lose money).</div> B. Will make zero profit (break-even) C. Will make positive profit D. Any of the given are possible.
19	The elasticity of demand of durable goods is:	A. Zero B. More than unity C. Less than unity D. Equal to unity
20	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 nor a change in price.</div>