

## NAT II Management Science Economy

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Sr	Questions	Answers Choice
1	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
2	What was the number of buffaloes in 2005-06?	A. 12 million B. 28.4 million C. 34 million D. 40 million
3	National income does not include:	A. Profit B. Wages C. Interest D. Transfer payments
4	The economy gets prosperity during:	A. Recession B. Boom C. Depression D. Recovery
5	Which of the following large-scale items showed a negative growth of -47.97 percent during July-March 2005-06?	A. Sugar B. Vegetable Ghee C. Billets D. Cement
6	According to law of diminishing marginal utility, the marginal utility:	A. Increases B. Remains constant C. Diminshes D. Negative
7	What was the difficulty in the barter System:	A. Excess of goods B. Difference language C. Lack of co-incidence D. Difference in profession
8	The growth rate of Sri-lanka in 2005-06?	A. 4.4 percent B. 5.9 percent C. 1.8 percent D. 7.5 percent
9	Who criticized Prof. Robbin's definition?	A. Marshall, J.B B. Beveridge C. Clark D. Pigeou
10	What is deducted from GNP to find GDP:	A. Depreciation allowance B. Net income received from abroad C. Indirect as D. Transfer payments
11	Reward for capital is called:	A. Rent B. Interest C. Wages D. Profit
12	In inflation prices:	A. Increase B. Do not change C. Decrease D. Become zero
13	Which ASEAN nation had the highest growth rate of 7.5 percent in 2005-06?	A. Indonesia B. Malaysia C. Vietnam D. Thailand
14	The elasticity of demand of durable goods is	A. More than unity B. Equal to unity C. Less than unity D. Zero
		A. It refers to the effect of changes in the price level on quantity of investment demanded which in turn

the price level on quantity of investment destruction affects interest rates

15	What is the interest rate effect that explains why the aggregate demand curve slopes downward?	B. <qiv>it reters to the effect of interest rates on borrowing which in turn affects consumption spending.  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</qiv>
16	The methods of measuring elasticity of supply are:	A. Three B. Two C. Four D. Five
17	What remains after deduction of direct taxes lions the personal income:	A. NNI B. DPI C. NDI D. GNP
18	In the short run, the equilibrium price level and the equilibrium level of total output are determined by the intersection of:	A. The aggregate demand, the short- run aggregate supply and the long- run aggregate supply curves B. The short-run aggregate supply and the long-run aggregate supply curves C. The aggregate demand and the short-run aggregate supply curves D. The aggregate demand and the long-run aggregate supply curves
19	For a firm buying labor competitively, the marginal input cost is equal to the:	A. Wage B. Interest rate C. Price of output D. Cost of raw materials
20	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