

NAT II Management Science Economy

Sr	Questions	Answers Choice
1	As more of a good is consumed, then total utility typically:	<p>A. Increases at a decreasing rate.</p> <p>B. <div>Decreases as long as marginal utility is negative</div></p> <p>C. <div>Decreases as long as marginal utility is positive</div></p> <p>D. <div>Is negative as long as marginal utility is decreasing.</div></p>
2	If total expenditure decrease with the rise in prices elasticity of demand will be:	<p>A. Equal to unity</p> <p>B. Less than unity</p> <p>C. Greater than unity</p> <p>D. Equal to zero</p>
3	The shape of AR and MR under perfect competition is:	<p>A. Vertical</p> <p>B. U-shape</p> <p>C. Horizontal to ox-axis</p> <p>D. None of these</p>
4	When national income is increases:	<p>A. Standard of living increases</p> <p>B. Standard of living decreases</p> <p>C. Remains same</p> <p>D. Bad thing</p>
5	The supply of land is:	<p>A. Infinity</p> <p>B. Fixed</p> <p>C. Variable</p> <p>D. Zero</p>
6	Give the production of sugarcane in Pakistan in 2005-06?	<p>A. 22 millions tons</p> <p>B. 33 million tons</p> <p>C. 44 million tons</p> <p>D. 55 million tons</p>
7	The elasticity of demand of durable goods is:	<p>A. Zero</p> <p>B. More than unity</p> <p>C. Less than unity</p> <p>D. Equal to unity</p>
8	The quality of a good which satisfies a human want is called as:	<p>A. Service</p> <p>B. Cost</p> <p>C. Utility</p> <p>D. None</p>
9	According to law of increasing return, marginal product:	<p>A. Increases</p> <p>B. Decreases</p> <p>C. Remains constant</p> <p>D. None of these</p>
10	The share of agriculture in the national economy in 2005-06, was:	<p>A. 21.6percent</p> <p>B. 16.2percent</p> <p>C. 12.8percent</p> <p>D. 13.4percent</p>
11	National income does not include:	<p>A. Profit</p> <p>B. Wages</p> <p>C. Interest</p> <p>D. Transfer payments</p>
12	Double counting in national income refers to:	<p>A. Counting a product more than once</p> <p>B. Counting a product at the final stage of output process</p> <p>C. Counting both as product and as factor payment</p> <p>D. Counting both as real goods and as money flow</p>
13	Due to devaluation exports become:	<p>A. Smaller</p> <p>B. Larger</p> <p>C. Cheaper</p> <p>D. Expensive</p>
14	The GDP growth rate of agriculture sector in 2005-06 was:	<p>A. 2.5 percent</p> <p>B. 4.3 percent</p> <p>C. 1.6 percent</p>

		D. 9.3 percent
15	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
16	The real exchange rate is defined as the:	A. Market exchange rate adjusted for prices B. Market exchange rate adjusted for interest rates C. Market exchange rate D. Exchange rate determined by the government
17	In 2005-06, the percentage of total investment to GDP was:	A. 8 percent B. 10percent C. 15percent D. 20percent
18	The quality of a commodity which satisfies the human wants:	A. Usefulness B. Loss C. Utility D. Return
19	If pen and ink are complements, then an increase in the price of pen will cause:	A. An increase in the price of ink B. Less ink to be demanded at each price C. A decrease in the demand for pen D. A rightward shift in the demand curve for ink
20	Which economist presented the Cardinal Theory of Utility:	A. Marshall B. Canon C. Kroose D. J.B. Say