

## 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.          B. &lt;div&gt;Decreases as long as marginal utility is negative&lt;/div&gt;          C. &lt;div&gt;Decreases as long as marginal utility is positive&lt;/div&gt;          D. &lt;div&gt;Is negative as long as marginal utility is decreasing.&lt;/div&gt;</p>
2	If total expenditure decrease with the rise in prices elasticity of demand will be:	<p>A. Equal to unity          B. Less than unity          C. Greater than unity          D. Equal to zero</p>
3	The shape of AR and MR under perfect competition is:	<p>A. Vertical          B. U-shape          C. Horizontal to ox-axis          D. None of these</p>
4	When national income is increases:	<p>A. Standard of living increases          B. Standard of living decreases          C. Remains same          D. Bad thing</p>
5	The supply of land is:	<p>A. Infinity          B. Fixed          C. Variable          D. Zero</p>
6	Give the production of sugarcane in Pakistan in 2005-06?	<p>A. 22 millions tons          B. 33 million tons          C. 44 million tons          D. 55 million tons</p>
7	The elasticity of demand of durable goods is:	<p>A. Zero          B. More than unity          C. Less than unity          D. Equal to unity</p>
8	The quality of a good which satisfies a human want is called as:	<p>A. Service          B. Cost          C. Utility          D. None</p>
9	According to law of increasing return, marginal product:	<p>A. Increases          B. Decreases          C. Remains constant          D. None of these</p>
10	The share of agriculture in the national economy in 2005-06, was:	<p>A. 21.6percent          B. 16.2percent          C. 12.8percent          D. 13.4percent</p>
11	National income does not include:	<p>A. Profit          B. Wages          C. Interest          D. Transfer payments</p>
12	Double counting in national income refers to:	<p>A. Counting a product more than once          B. Counting a product at the final stage of output process          C. Counting both as product and as factor payment          D. Counting both as real goods and as money flow</p>
13	Due to devaluation exports become:	<p>A. Smaller          B. Larger          C. Cheaper          D. Expensive</p>
14	The GDP growth rate of agriculture sector in 2005-06 was:	<p>A. 2.5 percent          B. 4.3 percent          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. 10 percent
- C. 15 percent
- D. 20 percent

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