

## NAT II Management Science Economy

Sr	Questions	Answers Choice
1	As compared to existing firms, a new firm entering in monopolist market has:	A. High costs B. Low costs C. Equal costs D. None of the given options
2	The elasticity of demand of durable goods is	A. More than unity B. Equal to unity C. Less than unity D. Zero
3	The GDP growth rate of agriculture sector in 2005-06 was:	A. 2.5 percent B. 4.3 percent C. 1.6 percent D. 9.3 percent
4	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>
5	Reward for capital is called:	A. Rent B. Interest C. Wages D. Profit
6	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
7	What was the number of buffaloes in 2005-06?	A. 12 million B. 28.4 million C. 34 million D. 40 million
8	The supply of perishable goods is:	A. Fixed B. Variable C. Minor change D. Zero
9	The elasticity of demand of durable goods is:	A. Zero B. More than unity C. Less than unity D. Equal to unity
10	Who wrote "The Nature and Significance of Economics":	A. Adam Smith B. Marshall C. Robbins D. Keynes
11	How much amount was allocated for Prime Minister's special initiative for livestock during 2005-06 ?	A. Rs. 672 million B. Rs. 812 million C. Rs. 1,696 million D. Rs. 2,400 million
12	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
13	A firm is charging a different price for each unit purchased by a consumer. This is called:	A. First-degree price discrimination B. Second-degree price discrimination C. Third-degree price discrimination D. None of the given options

14	"Government collects zero revenue if the tax rate is 0% and if the tax rate is 100%." Which of the following best describes this statement?	A. Consumption curve B. Supply curve C. Laffer curve D. Investment curve
15	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
16	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
17	What was the difficulty in the barter System:	A. Excess of goods B. Difference language C. Lack of co-incidence D. Difference in profession
18	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
19	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
20	A monopolistically competitive firm in the long run equilibrium:	A. Will make negative profit. B. Will make zero profit. C. Will make positive profit D. Any of the given are possible.