

NAT II Management Science Economy

Sr	Questions	Answers Choice
1	Due to devaluation exports become:	A. Smaller B. Larger C. Cheaper D. Expensive
2	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>
3	According to law of diminishing marginal utility, the marginal utility:	A. Increases B. Remains constant C. Diminishes D. Negative
4	Welfare economics is the branch of economics which deals with:	A. Positive issues B. Normative issues C. Micro issues D. Macro issues
5	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
6	What was the production of rice in million tons in 2005-06?	A. 4.4 B. 5.5 C. 6.6 D. 7.7
7	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
8	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
9	In February 2006, the Avian Influenza was reported by poultry farm in:	A. Hyderabad B. Karachi C. Multan D. Charsadda
10	The market structure in which strategic considerations are most important is:	A. Monopolistic competition. B. Oligopoly. C. Pure competition. D. Pure monopoly.
11	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
12	If we compare Gross Domestic Product (GDP) with Gross National Product (GNP) then:	A. $GNP = GDP - \text{Net income from abroad}$ B. $GNP = GDP + \text{Net income from abroad}$ C. $GNP = NNP - \text{Net income from abroad}$ D. $GNP = NNP + \text{Net income from abroad}$
13	Price floor results in:	A. All of the given options B. Excess supply. C. Equilibrium D. Excess demand

14	Real GDP is equal to:	B. Nominal GDP + Inflation C. Nominal GDP / Inflation D. Inflation / Nominal GDP
15	Which of the following is true about supply curve under monopoly?	A. It is same as the competitive market supply curve B. It is the portion of marginal cost curve where marginal costs exceed the minimum value of average variable costs C. It is the result of market power and production costs D. None of the given statements is true
16	International trade has the benefits:	A. One B. Three C. Two D. Unlimited
17	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
18	The elasticity of demand of durable goods is	A. More than unity B. Equal to unity C. Less than unity D. Zero
19	The production of gram in 2005-06, in thousand tons was:	A. 450 B. 500 C. 527 D. 750
20	Consumer goods are those goods which are used by a man:	A. Directly B. Off and On C. Indirectly D. Never