

NAT II Management Science Economy

Sr	Questions	Answers Choice
1	Income elasticity show the relationship between:	A. Income and demand B. Income and consumption C. Income and price D. Income and saving
2	The market structure in which strategic considerations are most important is:	A. Monopolistic competition.B. Oligopoly.C. Pure competition.D. Pure monopoly.
3	In 2005-06 which country had the highest growth rate among the following?	A. Egypt B. Singapore C. Kuwait D. Nigeria
4	When national income is increases:	A. Standard of living increases B. Standard of living decreases C. Remains same D. Bad thing
5	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
6	The supply of land is:	A. Infinity B. Fixed C. Variable D. Zero
7	The economy gets prosperity during:	A. Recession B. Boom C. Depression D. Recovery
8	Ushr implies on:	A. Agricultural product B. Industrial product C. Agricultural & mp; industrial product D. None of these
9	In 2005-06, the crop area of cotton was 3,096 thousand hectares and the crop area of rice was:	A. 2,620 B. 982 C. 8,303 D. 4,702
10	Who is responsible for profit and loss in the business:	A. Capitalist B. Entrepreneur C. Labour D. Middleman
11	Who criticized Prof. Robbin's definition?	A. Marshall, J.B B. Beveridge C. Clark D. Pigeou
12	The long run aggregate supply curve will shift to the right if:	A. The price level increases. B. Factors of production (such as labor and capital) increase C. Expenditures (such as consumption and net exports) increase. D. The prices of inputs used to produce goods and services (such as wages and the price of oil)descreases
		A. It refers to the effect of changes in the price level on quantity of investment demanded which in turn affects interest rates B. <div>It refers to the effect of</div>

13	What is the interest rate effect that explains why the aggregate demand curve slopes downward?	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
14	The economy gets maximum prosperity during:	A. Recession B. Recovery C. Boom D. Depression
15	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
16	If money supply is fixed by the central bank then in interest rate money supply space, money supply curve will be:	A. Horizontal B. Vertical C. Negatively sloped D. Positively sloped
17	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
18	The share of agriculture in the national economy in 2005-06, was:	A. 21.6percent B. 16.2percent C. 12.8percent D. 13.4percent
19	In inflation prices:	A. Increase B. Do not change C. Decrease D. Become zero
20	According to law of increasing return, marginal product:	A. Increases B. Decreases C. Remains constant D. None of these