

## NAT II Management Science Economy

Sr	Questions	Answers Choice
1	A market is said to be in equilibrium when:	<p>A. Demand equals output</p> <p>B. There is downward pressure on price</p> <p>C. The amount consumers wish to buy at the current price equals the amount producers wish to sell at that price</p> <p>D. All buyers are able to find sellers willing to sell to them at the current price</p>
2	Income elasticity show the relationship between:	<p>A. Income and demand</p> <p>B. Income and consumption</p> <p>C. Income and price</p> <p>D. Income and saving</p>
3	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>
4	In February 2006, the Avian Influenza was reported by poultry farm in:	<p>A. Hyderabad</p> <p>B. Karachi</p> <p>C. Multan</p> <p>D. Charsadda</p>
5	What was the percentage in the production of cotton yarn during July-March 2005-06?	<p>A. 11.1 percent</p> <p>B. 15.2 percent</p> <p>C. 17.6 percent</p> <p>D. 19.2 percent</p>
6	Which economist presented the Cardinal Theory of Utility:	<p>A. Marshall</p> <p>B. Canon</p> <p>C. Kroose</p> <p>D. J.B. Say</p>
7	A nation's balance of payments can be affected by changes in:	<p>A. Foreign income</p> <p>B. The differential between domestic and foreign interest rates</p> <p>C. The real exchange rate</p> <p>D. All of the given options</p>
8	Marginal cost curve always intersects average cost curve at:	<p>A. The maximum point</p> <p>B. The central point</p> <p>C. The minimum point</p> <p>D. The vertical point</p>
9	The Diamer Bhasha Dam will be completed in :	<p>A. 2009</p> <p>B. 2010</p> <p>C. 2012</p> <p>D. 2015</p>
10	In 2005-06, the crop area of cotton was 3,096 thousand hectares and the crop area of rice was:	<p>A. 2,620</p> <p>B. 982</p> <p>C. 8,303</p> <p>D. 4,702</p>
11	The price elasticity of demand measures the responsiveness of quantity demanded to:	<p>A. Quantity demanded</p> <p>B. Quantity supplied</p> <p>C. Price</p> <p>D. Output</p>
12	Which of the following economists came up with a theory regarding the tradeoff between unemployment and inflation?	<p>A. A.W. Phillips</p> <p>B. John Maynard Keynes</p> <p>C. Joseph Schumpeter</p> <p>D. Milton Friedman</p>
13	What is deducted from GNP to find GDP:	<p>A. Depreciation allowance</p> <p>B. Net income received from abroad</p> <p>C. Indirect as</p> <p>D. Transfer payments</p>
14	The supply of perishable goods is:	<p>A. Fixed</p> <p>B. Variable</p> <p>C. Minor change</p> <p>D. -</p>

D. Zero

15	As more of a good is consumed, then total utility typically:	<p>A. Increases at a decreasing rate.</p> <p>B. Decreases as long as marginal utility is negative</p> <p>C. Decreases as long as marginal utility is positive</p> <p>D. Is negative as long as marginal utility is decreasing.</p>
16	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>
17	The aggregate supply curve is the relationship between:	<p>A. The price level and the real domestic output purchased</p> <p>B. The price level and the real domestic output produced</p> <p>C. The price level which producers are willing to accept and the price level purchasers are willing to pay.</p> <p>D. The real domestic output purchased and the real domestic output produced.</p>
18	The total cost (TC) function is given as: $TC = 200 + 5Q$ . What is the fixed cost?	<p>A. <math>5Q</math></p> <p>B. 5</p> <p>C. <math>5 + (200/Q)</math></p> <p>D. 200</p>
19	When price falls supply:	<p>A. Expands</p> <p>B. Contracts</p> <p>C. Remains zero</p> <p>D. Becomes fixed</p>
20	In 2005-06, the percentage of total investment to GDP was:	<p>A. 8 percent</p> <p>B. 10percent</p> <p>C. 15percent</p> <p>D. 20percent</p>