

NAT II Management Science Economy

Sr	Questions	Answers Choice
1	When price falls supply:	A. Expands B. Contracts C. Remains zero D. Becomes fixed
2	Due to devaluation exports become:	A. Smaller B. Larger C. Cheaper D. Expensive
3	The market structure in which strategic considerations are most important is:	A. Monopolistic competition.B. Oligopoly.C. Pure competition.D. Pure monopoly.
4	According to law of diminishing marginal utility, the marginal utility:	A. Increases B. Remains constant C. Diminshes D. Negative
5	What was the difficulty in the barter System:	A. Excess of goods B. Difference language C. Lack of co-incidence D. Difference in profession
6	What was the share of livestock to the GNP during 2005-06?	A. 4.7percent B. 6.5percent C. 3.5percent D. 8.0percent
7	The growth rate of Sri-lanka in 2005-06?	A. 4.4 percent B. 5.9 percent C. 1.8 percent D. 7.5 percent
8	Canons of taxation describes:	A. Marshall B. Keynes C. Robbins D. Adam Smith
9	Inflation will be useful for:	A. Labourers B. Industrialist C. Consumers D. Pensioners
10	In inflation prices:	A. Increase B. Do not change C. Decrease D. Become zero
11	What was the number of buffaloes in 2005-06?	A. 12 million B. 28.4 million C. 34 million D. 40 million
12	The economy gets prosperity during:	A. Recession B. Boom C. Depression D. Recovery
13	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 the demanded at each price C. A decrease in the demand for pen D. A rightward shift in the demand curve for ink
14	The share of the automobile group in manufacturing group in 2005-06 was:	A. 20.2 percent B. 29.7 percent C. 14.4 percent D. 16.8 percent
15	Personal income includes:	A. Direct taxes B. Indirect taxes C. Undivided profit

		D. Both 2nd and 3rd
16	Who is responsible for profit and loss in the business:	A. Capitalist B. Entrepreneur C. Labour D. Middleman
17	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
18	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
19	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
20	The price elasticity of demand for any good must be less than or equal to zero unless:	A. The good is a necessity. B. The good is a luxury. C. The good is a Ciffen good. D. None of the given options.