

## NAT II Management Science Economy

Sr	Questions	Answers Choice
1	In 2005-06, the percentage of total investment to GDP was:	A. 8 percent B. 10percent C. 15percent D. 20percent
2	What was the contribution of the services sector to the GNP in FY 2005-06.	A. 9.2 percent B. 3.5 percent C. 8.8 percent D. 4.7 percent
3	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.
4	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
5	"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
6	For knowing the spending capacity of the household sector, we have to use the concept of:	A. National income B. Personal income C. Private income D. Personal disposable income
7	What was the production of wheat in million tones during 2005-06?	A. 16.6 B. 21.7 C. 26.2 D. 30.8
8	What was the difficulty in the barter System:	A. Excess of goods B. Difference language C. Lack of co-incidence D. Difference in profession
9	The supply of land is:	A. Infinity B. Fixed C. Variable D. Zero
10	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
11	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
12	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
13	In inflation prices:	A. Increase B. Do not change C. Decrease D. Become zero
		A. NNI

14	What remains after deduction of direct taxes lions the personal income:	B. DPI C. NDI D. GNP
15	Mairani Dam is being built in Balochistan Gomal Zam Dam in NWFP and Diamer Bhasha Dam in the region of:	A. Punjab B. Northern Areas C. NWFP D. Sindh
16	The other name of law of diminishing return is:	A. Law of supply B. Law of diminishing marginal utility C. Law of demand D. Law of increasing cost
17	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
18	A nation's balance of payments can be affected by changes in:	A. Foreign income B. The differential between domestic and foreign interest rates C. The real exchange rate D. All of the given options
19	Average revenue is equal to:	A. Price B. Total revenue C. Marginal revenue D. Average cost
20	Which Economists presented the law of diminishing marginal utility:	A. Robbins B. Malthus C. Adam Smith D. Marshall