

NAT II Management Science Economy

Sr	Questions	Answers Choice
1	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
2	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 be demanded at each price C. A decrease in the demand for pen D. A rightward shift in the demand curve for ink
3	How much amount was allocated for Prime Minister's special initiative for livestock during 2005-06 ?	A. Rs. 672 million B. Rs. 812 million C. Rs. 1,696 million D. Rs. 2,400 million
4	What is deducted from GNP to find GDP:	A. Depreciation allowance B. Net income received from abroad C. Indirect tax D. Transfer payments
5	In 2005-06 total production of fish inland and marine in Pakistan was:	A. 5,81,000 tons B. 6,72,000 tons C. 7,44,000 tons D. 8,33,000 tons
6	What is the interest rate effect that explains why the aggregate demand curve slopes downward?	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 interest rates on borrowing which in turn affects consumption spending.</div> 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
7	National income does not include:	A. Profit B. Wages C. Interest D. Transfer payments
8	Who is responsible for profit and loss in the business:	A. Capitalist B. Entrepreneur C. Labour D. Middleman
9	To find the profit maximizing level of output, a firm finds the output level where:	A. Price equals marginal cost B. Marginal revenue and average total cost C. Price equals marginal revenue D. None of the given options
10	The economy gets maximum prosperity during:	A. Recession B. Recovery C. Boom D. Depression
11	What was the production of rice in million tons in 2005-06?	A. 4.4 B. 5.5 C. 6.6 D. 7.7
12	Price floor results in:	A. All of the given options B. Excess supply. C. Equilibrium D. Excess demand
13	In inflation prices:	A. Increase B. Do not change C. Decrease

		C. Decrease D. Become zero
14	If we compare Gross Domestic Product (GDP) with Gross National Product (GNP) then:	A. $GNP = GDP - Net\ income\ from\ abroad$ B. $GNP = GDP + Net\ income\ from\ abroad$ C. $GNP = NNP - Net\ income\ from\ abroad$ D. $GNP = NNP + Net\ income\ from\ abroad$
15	The Diamer Bhasha Dam will be completed in :	A. 2009 B. 2010 C. 2012 D. 2015
16	When price falls supply:	A. Expands B. Contracts C. Remains zero D. Becomes fixed
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	Given the amount of gross fixed investment percentage of GDP during 2005-06.	A. 14.2 percent B. 18.4 percent C. 25.0 percent D. 26.6 percent
19	Who criticized Prof. Robbin's definition?	A. Marshall, J.B B. Beveridge C. Clark D. Pigeou
20	In 2005-06, the crop area of sugarcane in thousand hectares was:	A. 540 B. 642 C. 756 D. 907