

## NAT II Management Science Economy

Sr	Questions	Answers Choice
1	"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?	<p>A. Consumption curve            B. Supply curve            C. Laffer curve            D. Investment curve</p>
2	Reward for capital is called:	<p>A. Rent            B. Interest            C. Wages            D. Profit</p>
3	The supply of perishable goods is:	<p>A. Fixed            B. Variable            C. Minor change            D. Zero</p>
4	If we compare Gross Domestic Product (GDP) with Gross National Product (GNP) then:	<p>A. <math>GNP = GDP - \text{Net income from abroad}</math>            B. <math>GNP = GDP + \text{Net income from abroad}</math>            C. <math>GNP = NNP - \text{Net income from abroad}</math>            D. <math>GNP = NNP + \text{Net income from abroad}</math></p>
5	How much amount was allocated for Prime Minister's special initiative for livestock during 2005-06 ?	<p>A. Rs. 672 million            B. Rs. 812 million            C. Rs. 1,696 million            D. Rs. 2,400 million</p>
6	In 2005-06 the real GDP growth of USA was 3.5 percent, of China 9.9 percent, Japan 2.7 percent, India 8.0 percent and of Pakistan was:	<p>A. 6.6 percent            B. 1.6 percent            C. 4.6 percent            D. 5.0 percent</p>
7	A good for which income and quantity demanded are inversely related is known as:	<p>A. Inferior good            B. Complementary good            C. Normal good            D. None of the given options</p>
8	Phases of trade cycle are:	<p>A. One            B. Three            C. Two            D. Four</p>
9	The aggregate supply curve is the relationship between:	<p>A. The price level and the real domestic output purchased            B. The price level and the real domestic output produced            C. The price level which producers are willing to accept and the price level purchasers are willing to pay.            D. The real domestic output purchased and the real domestic output produced.</p>
10	The economy gets maximum prosperity during:	<p>A. Recession            B. Recovery            C. Boom            D. Depression</p>
11	Under the kinked demand curve model, an increase in marginal cost will lead to:	<p>A. An increase in output level and a decrease in price.            B. A decrease in output level and an increase in price.            C. A decrease in output level and no change in price.            D. Neither a change in output level nor a change in price.</p>
12	The interest rate parity is the basic identity that relates which of the following?	<p>A. Interest rates and exchange rates            B. Interest rates and inflation rate            C. Exchange rates and inflation rate            D. Discount rate and inflation rate</p>

13	Reward the labour is:	A. Interest B. Wages C. Profit D. Rent
14	According to law of increasing return, marginal product:	A. Increases B. Decreases C. Remains constant D. None of these
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	What was the share of the major crops of value added in agriculture in 2005-06?	A. 24.2percent B. 35.2percent C. 39.1percent D. 45percent
17	The share of agriculture in the national economy in 2005-06, was:	A. 21.6percent B. 16.2percent C. 12.8percent D. 13.4percent
18	The quality of a commodity which satisfies the human wants:	A. Usefulness B. Loss C. Utility D. Return
19	In 2005-06, the crop area of sugarcane in thousand hectares was:	A. 540 B. 642 C. 756 D. 907
20	In monopoly, which of the following is NOT true?	A. Products are differentiated B. There is freedom of entry and exit into the industry in the long run C. The firm is a price maker D. There is one main seller