

## NAT II Management Science Economy

Sr	Questions	Answers Choice
1	The quality of a good which satisfies a human want is called as:	A. Service B. Cost <b>C. Utility</b> D. None
2	When national income is increases:	<b>A. Standard of living increases</b> B. Standard of living decreases C. Remains same D. Bad thing
3	Which ASEAN nation had the highest growth rate of 7.5 percent in 2005-06?	A. Indonesia B. Malaysia <b>C. Vietnam</b> D. Thailand
4	The quality of a commodity which satisfies the human wants:	A. Usefulness B. Loss <b>C. Utility</b> D. Return
5	Who wrote "The Nature and Significance of Economics":	A. Adam Smith B. Marshall <b>C. Robbins</b> D. Keynes
6	In 2005-06 the growth rate of Saudi Arabia was 6.5 percent, Kuwait 8.5 percent and Bangladesh 5.8 percent. What was the growth rate of Iran?	<b>A. 4.2 percent</b> B. 3.1 percent C. 6.7 percent D. 5.9 percent
7	Which of the following economists came up with a theory regarding the tradeoff between unemployment and inflation?	<b>A. A.W. Phillips</b> B. John Maynard Keynes C. Joseph Schumpeter D. Milton Friedman
8	Marginal cost curve always intersects average cost curve at:	A. The maximum point B. The central point <b>C. The minimum point</b> D. The vertical point
9	According to law of increasing return, marginal product:	<b>A. Increases</b> B. Decreases C. Remains constant D. None of these
10	Which economist presented the Cardinal Theory of Utility:	<b>A. Marshall</b> B. Canon C. Kroose D. J.B. Say
11	A nation's balance of payments can be affected by changes in:	A. Foreign income B. The differential between domestic and foreign interest rates <b>C. The real exchange rate</b> D. All of the given options
12	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. <b>C. The good is a Ciffen good.</b> D. None of the given options.
13	The elasticity of demand of durable goods is:	A. Zero <b>B. More than unity</b> C. Less than unity D. Equal to unity
14	Real GDP is equal to:	<b>A. Nominal GDP - Inflation</b> B. Nominal GDP + Inflation C. Nominal GDP / Inflation D. Inflation / Nominal GDP
15	In inflation prices:	<b>A. Increase</b> B. Do not change C. Decrease

16 As more of a good is consumed, then total utility typically:

- A. Increases at a decreasing rate.
- B. Decreases as long as marginal utility is negative
- C. Decreases as long as marginal utility is positive
- D. Is negative as long as marginal utility is decreasing.

17 What remains after deduction of direct taxes lions the personal income:

- A. NNI
- B. DPI
- C. NDI
- D. GNP

18 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

19 Average revenue is equal to:

- A. Price
- B. Total revenue
- C. Marginal revenue
- D. Average cost

20 As compared to existing firms, a new firm entering in monopolist market has:

- A. High costs
- B. Low costs
- C. Equal costs
- D. None of the given options