NAT II Management Science Economy

Sr	Questions	Answers Choice
1	The Diamer Bhasha Dam will be completed in :	A. 2009 B. 2010 C. 2012 D. 2015
2	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
3	A nation's balance of payments can be affected by changes in:	A. Foreign income B. The differential between domestic and foreign interst rates C. The real exchange rate D. All of the given options
4	Under the kinked demand curve model, an increase in marginal cost will lead to:	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 our a change in price.
5	When price falls supply:	A. Expands B. Contracts C. Remains zero D. Becomes fixed
6	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
7	International trade has the benefits:	A. One B. Three C. Two D. Unlimited
8	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
9	Double counting in national income refers to:	A. Counting a product more than once B. Counting a product at the final stage of output process C. Counting both as product and as factor payment D. Counting both as real goods and as money flow
10	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
11	Which of the following is true about supply curve under monopoly?	A. It is same as the competitive market supply curve B. It is the portion of marginal cost curve where marginal costs exceed the minimum value of average variable costs C. It is the result of market power and production costs

		production costs D. None of the given statements is true
12	Welfare economics is the branch of economics which deals with:	A. Positive issues B. Normative issues C. Micro issues D. Macro issues
13	Due to devaluation exports become:	A. Smaller B. Larger C. Cheaper D. Expensive
14	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
15	An increase in supply is shown by:	A. Shifting the supply curve to the left B. Shifting the supply curve to the right C. Upward movement along the supply curve D. Downward movement along the supply curve
16	In 2005-06, the crop area of sugarcane in thousand hectares was:	A. 540 B. 642 C. 756 D. 907
17	Reward for capital is called:	A. Rent B. Interest C. Wages D. Profit
18	Marginal cost curve always intersects average cost curve at:	A. The maximum point B. The central point C. The minimum point D. The vertical point
19	Give the share of commodity producing the sector in the GNP in 2005-06?	A. 2.5 percent B. 4.3percent C. 3.8percent D. 7.2percent
20	According to law of diminishing marginal utility, the marginal utility:	A. Increases B. Remains constant C. Diminshes D. Negative