

NAT II Management Science Economy

Sr	Questions	Answers Choice
1	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
2	Due to devaluation exports become:	A. Smaller B. Larger C. Cheaper D. Expensive
3	The total cost (TC) function is given as: TC = 200 + 5Q. What is the fixed cost?	A. 5Q B. 5 C. 5 + (200/Q) D. 200
4	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
5	Price floor results in:	A. All of the given options B. Excess supply. C. Equilibrium D. Excess demand
6	If we compare Gross Domestic Product (GDP) with Gross National 1. 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
7	In monopoly, which of the following is NOT true?	A. Products are differentiated B. <div>There is freedom of entry and exit into the industry in the long run</div> C. The firm is a price maker D. There is one main seller
8	What remains after deduction of direct taxes lions the personal income:	A. NNI B. DPI C. NDI D. GNP
9	The supply of land is:	A. Infinity B. Fixed C. Variable D. Zero
10	The long run aggregate supply curve will shift to the right if:	A. The price level increases. B. Factors of production (such as labor and capital) increase C. Expenditures (such as consumption and net exports) increase. D. The prices of inputs used to produce goods and services (such as wages and the price of oil)descreases
11	How many methods can be used for cultivation:	A. One B. Two C. Three D. Four
12	In the FY 2005-06 the GDP growth rate of Euro area was 1.3 percent, the developing nations 8.6 percent and the world was:	A. 3.5 percent B. 4.8 percent C. 4.5 percent D. 5.5 percent
13	In 2005-06, bajra was grown on 438 thousand hectares and its production in thousand tons was:	A. 190 B. 221 C. 350

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14	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
15	The real exchange rate is defined as the:	A. Market exchange rate adjusted for prices B. Market exchange rate adjusted for interest rates C. Market exchange rate D. Exchange rate determined by the government
16	What was the production of wheat in million tones during 2005-06?	A. 16.6 B. 21.7 C. 26.2 D. 30.8
17	National income does not include:	A. Profit B. Wages C. Interest D. Transfer payments
18	Which of the following is TRUE for a Giffen good?	A. Its marginal utility is zero B. Its demand curve is perfectly elastic C. Its substitution effect is positive D. Its demand curve is positively sloped
19	"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
20	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