

NAT II Management Science Economy

Sr	Questions	Answers Choice
1	A market is said to be in equilibrium when:	<p>A. Demand equals output</p> <p>B. There is downward pressure on price</p> <p>C. The amount consumers wish to buy at the current price equals the amount producers wish to sell at that price</p> <p>D. All buyers are able to find sellers willing to sell to them at the current price</p>
2	The total cost (TC) function is given as: $TC = 200 + 5Q$. What is the fixed cost?	<p>A. 5Q</p> <p>B. 5</p> <p>C. $5 + (200/Q)$</p> <p>D. 200</p>
3	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.</p> <p>B. A decrease in output level and an increase in price.</p> <p>C. A decrease in output level and no change in price.</p> <p>D. Neither a change in output level nor a change in price.</p>
4	What was the growth recorded by the manufacturing sector during 2005-06?	<p>A. 4.2 percent</p> <p>B. 5.5 percent</p> <p>C. 7.3 percent</p> <p>D. 8.6 percent</p>
5	Given the amount of gross fixed investment percentage of GDP during 2005-06.	<p>A. 14.2 percent</p> <p>B. 18.4 percent</p> <p>C. 25.0 percent</p> <p>D. 26.6 percent</p>
6	Which of the following economists came up with a theory regarding the tradeoff between unemployment and inflation?	<p>A. A.W. Phillips</p> <p>B. John Maynard Keynes</p> <p>C. Joseph Schumpeter</p> <p>D. Milton Friedman</p>
7	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</p> <p>B. 1.6 percent</p> <p>C. 4.6 percent</p> <p>D. 5.0 percent</p>
8	Give the production of sugarcane in Pakistan in 2005-06?	<p>A. 22 millions tons</p> <p>B. 33 million tons</p> <p>C. 44 million tons</p> <p>D. 55 million tons</p>
9	A good for which income and quantity demanded are inversely related is known as:	<p>A. Inferior good</p> <p>B. Complementary good</p> <p>C. Normal good</p> <p>D. None of the given options</p>
10	The interest rate parity is the basic identity that relates which of the following?	<p>A. Interest rates and exchange rates</p> <p>B. Interest rates and inflation rate</p> <p>C. Exchange rates and inflation rate</p> <p>D. Discount rate and inflation rate</p>
11	Reward the labour is:	<p>A. Interest</p> <p>B. Wages</p> <p>C. Profit</p> <p>D. Rent</p>
12	When national income is increases:	<p>A. Standard of living increases</p> <p>B. Standard of living decreases</p> <p>C. Remains same</p> <p>D. Bad thing</p>
13	A monopolistically competitive firm in the long run equilibrium:	<p>A. Will make negative profit.</p> <p>B. Will make zero profit.</p> <p>C. Will make positive profit</p> <p>D. Any of the given are possible.</p>

14	In 2005-06, bajra was grown on 438 thousand hectares and its production in thousand tons was:	A. 190 B. 221 C. 350 D. 475
15	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. It refers to the effect of interest rates on borrowing which in turn affects consumption spending. 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
16	The market structure in which strategic considerations are most important is:	A. Monopolistic competition. B. Oligopoly. C. Pure competition. D. Pure monopoly.
17	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
18	The economy gets prosperity during:	A. Recession B. Boom C. Depression D. Recovery
19	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
20	Rent of building is included in:	A. Fixed cost B. Variable cost C. Marginal cost D. Selling cost