

## NAT II Management Science Economy

Sr	Questions	Answers Choice
1	The share of the automobile group in manufacturing group in 2005-06 was:	A. 20.2 percent B. 29.7 percent C. 14.4 percent D. 16.8 percent
2	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
3	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
4	According to law of increasing return, marginal product:	A. Increases B. Decreases C. Remains constant D. None of these
5	For knowing the spending capacity of the household sector, we have to use the concept of:	A. National income B. Personal income C. Private income D. Personal disposable income
6	Price floor results in:	A. All of the given options     B. Excess supply.     C. Equilibrium     D. Excess demand
7	"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
8	A firm is charging a different price for each unit purchased by a consumer. This is called:	A. First-degree price discrimination     B. Second-degree price     discrimination     C. Third-degree price discrimination     D. None of the given options
9	Welfare economics is the branch of economics which deals with:	A. Positive issues B. Normative issues C. Micro issues D. Macro issues
10	Who wrote "The Nature and Significance of Economics":	A. Adam Smith B. Marshall C. Robbins D. Keynes
11	A monopolistically competitive firm in short run equilibrium:	A. <div>Will make negative profit (lose money).</div> B. Will make zero profit (break-even) C. Will make positive profit D. Any of the given are possible.
12	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
13	Reward the labour is:	A. Interest B. Wages C. Profit D. Rent
14	A good for which income and quantity demanded are inversely related is known as:	A. Inferior good B. Complementary good

		C. Normal good D. None of the given options
15	When price falls supply:	A. Expands B. Contracts C. Remains zero D. Becomes fixed
16	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
17	What was the percentage in the production of cotton yarn during July-March 2005-06?	A. 11.1 percent B. 15.2 percent C. 17.6 percent D. 19.2 percent
18	In inflation prices:	A. Increase B. Do not change C. Decrease D. Become zero
19	For a study of the long term growth of the economy, we use:	A. Real GNP B. Nominal GNP C. Personal income D. Disposable personal income
20	Who is responsible for profit and loss in the business:	A. Capitalist B. Entrepreneur C. Labour D. Middleman