

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	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
3	International trade has the benefits:	A. One B. Three C. Two D. Unlimited
4	In 2005-06, the crop area of sugarcane in thousand hectares was:	A. 540 B. 642 C. 756 D. 907
5	Which of the following event will lead towards cost-push inflation and therefore stagflation?	A. An increase in taxes on individuals B. A decrease in real interest rates C. A union settlement that increases wage levels D. An increase in government purchases
6	In 2005-06, the percentage of total investment to GDP was:	A. 8 percent B. 10 percent C. 15 percent D. 20 percent
7	If money supply is fixed by the central bank then in interest rate money supply space, money supply curve will be:	A. Horizontal B. Vertical C. Negatively sloped D. Positively sloped
8	A nation's balance of payments can be affected by changes in:	A. Foreign income B. The differential between domestic and foreign interest rates C. The real exchange rate D. All of the given options
9	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
10	The economy gets maximum prosperity during:	A. Recession B. Recovery C. Boom D. Depression
11	In inflation prices:	A. Increase B. Do not change C. Decrease D. Become zero
12	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
13	In 2005-06 the share of chemicals was 9.08 percent and the share of electricals was:	A. 4.6 percent B. 8.2 percent C. 11.78 percent D. 16.3 percent
		A. Depreciation allowance B. Capital allowance C. Investment allowance D. Research and development allowance

14	What is deducted from GNP to find GDP:	B. Net income received from abroad C. Indirect tax D. Transfer payments
15	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
16	During a year aggregate value of produced goods and services of a country is called:	A. Per-capita income B. Net national income C. Personal income D. Gross national product
17	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
18	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
19	Personal income includes:	A. Direct taxes B. Indirect taxes C. Undivided profit D. Both 2nd and 3rd
20	Reward the labour is:	A. Interest B. Wages C. Profit D. Rent