

PPSC Economics Topic 10 Public Finance

Sr	Questions	Answers Choice
1	Skills that can be transferred to other employers are called.	<p>A. General skills B. Specific skills C. Non pecuniary skills D. All of the above</p>
2	International trade in goods and services is sometimes used as a substitute for all of the following except.	<p>A. International movements of capital B. International movement of labor C. International movement of technology D. Domestic production of different goods and services</p>
3	The earliest statement of the principle of comparative advantage is associated with.	<p>A. Adam Smith B. David Ricardo C. Eli Heckshcer D. Berti Ohlin</p>
4	The term of trade is given by the process.	<p>A. Paid for all goods exported by the home country B. Received for all goods exported by the home country C. Received for exports and paid for imports. D. Of primary product as opposed to manufactured products.</p>
5	A purely monetary explanation of the business cycle is proposed by	<p>A. Hawtrey B. Schumpeter C. Hansen D. None of these</p>
6	Which of the following is a stock variable.	<p>A. Gross private domestic investment B. Personal savings C. Both a and b D. None of these</p>
7	Saving means	<p>A. Part of income for investment B. Income for boarding C. Non consumption of income in the current period D. None of the above</p>
8	Which of the following is automatic stabilizer.	<p>A. Unemployment benefits B. Spending on education C. Defense spending D. Net interest</p>
9	Price controls are	<p>A. Necessary for consumer's welfares B. A must to check inflation C. Doomed to fall D. None of these</p>
10	A supply schedule shows the relations between the quantity supplied of a commodity over a given time and.	<p>A. Factor prices B. Technology C. Both a and b D. The price of the commodity</p>
11	a nation with a current account deficit will be	<p>A. Lending more money to other nations B. Experiencing a surplus in exports of goods and services. C. Reducing its indebtedness to other nations D. Going further into debt with other nations</p>
12	The investment demand curve shifts right ward if	<p>A. The real interest rate falls B. Savers increase their thriftiness C. The expected profit rate increases. D. The economy moves into a recession</p>
13	In autarky equilibrium.	<p>A. Production equals consumption B. Export equal inmprts C. ...</p>

		C. There is no trade D. All of the above
14	Personal income is obtained by adding which items to national income	A. Govt. transfer payments B. Business transfer payments C. Both a and b D. None of these
15	In the circular flow diagram firms.	A. Receive revenue and supply resources in the resource market B. Incur costs and demand resources in the resource market. C. Receive revenue and demand resources in the product market. D. Incur costs and supply goods and services in the product market.
16	Import substitution is an example of.	A. The principle of comparative advantage B. The principle of absolute advantage C. An outward looking growth strategy D. An inward looking growth strategy
17	Which of the following is likely to be longer for monetary policy than for fiscal policy.	A. The implementation lag B. The recognition lag C. Both a and b D. None of these
18	Export led growth strategies tend to emphasize.	A. Resource allocation based on the principle of absolute advantage. B. Resource allocation based on the principle of comparative advantage. C. Trade protection for exporting competing firms D. Trade protection for import competing firms
19	Absolute advantage is determined by.,	A. Actual difference in labor productivity between countries. B. Relative difference in labor productivity between countries. C. Both a and b D. neither a and b
20	An indifference curve gives	A. the actual combination of goods that consumer chooses B. the minimum choice of the consumer C. the highest level of satisfaction D. None of these