PPSC Economics Topic 10 Public Finance

Sr	Questions	Answers Choice
1	The agricultural price support program is an example of.	A. A price celling B. A price floor C. Equilibrium pricing D. None of these
2	Which of the following the most elastic demand the extra revenue a firm receives from the services of an additional unit of a factor of production.	A. Total revenue B. Marginal physical product C. Marginal revenues product D. Marginal revenue.
3	During the last eight years the per capita income in Pakistan has been	A. Increasing substantially because of decline in population growth B. Decreasing C. increasing only marginally D. Constant
4	In pure competition.	A. Strong rivaled exist B. Cartels are formed C. Both a and b D. None of thes
5	The theory of _____ suggests that government can assist domestic competitors.	A. International dumping B. Countervailing duties C. Strategic trade policy D. Export promotion policy
6	Which of the followings is NOT component of M-2	A. Small time deposits B. Money market mutual funds C. Stocks D. Checkable deposits
7	The larger the required reserve ratio the.	A. Smaller is the deposit multiplier B. Larger is the deposit multitier C. Larger is the amount of total deposits that can created from a new deposit D. Larger is the amount of total money that can be created from a withdrawal
8	International trade forces domestic firms to become more competitive in terms of.	A. The introduction of new products B. Product design and quantity C. Product price D. All of the above
9	The investment demand curve shifts right ward if	A. The real interest rate falls B. Savers increase their thriftiness C. The expected profit rate increases. D. The economy moves into a recession
10	In order of practice price discrimination which of the following is needed.	A. Some degree of monopoly power B. An ability to separate the market C. An ability to prevent reselling D. All of the above
11	Non tariff trade barriers could include all of the following except	A. Domestic content laws B. Government procurement policies. C. Health , safety and environmental standards D. Autidumpiing /countervailing duties applied to imports
12	Unemployment Rate is a percentage relation with reference is.	A. Total population B. Civilian labour force C. Employed persons D. Unemployed persons
13	If there is a price floor there will be	A. Shortages B. Surpluses C. Equilibrium D. None of these
		A. Average total cost

14	According to the cost based definition of dumping dumping occurs when a firm sets a product abroad at a price that is less than	B. Average variable cost C. Average foxed cost D. Marginal cost
15	The arrangement were goods imported from trading partners in the developing world are subject to lower tariff rates than good from other countries is referred to as.	A. Normal trade relation status. B. Most favored nation status C. Generalized system of Preferences. D. Offshore assembly provisions
16	Through the world government tend o auction quota license to their highest bidder.	A. Always B. Often C. Seldom D. Never
17	In the theory of the firm profit maximization is always synonymous with.	A. Profitability B. Economic profit making C. maximization of the sales revenue D. None of these
18	The central bank of a country plays a significant role in her macroeconomics performance by regulating the.	A. Money supply B. Supply credit C. Interest rate D. All of these
19	Public utilities tend to be	A. Inefficient B. Natural monopolies C. subject to increasing costs D. None of these
20	In the short run an increase in the quantity of money _____ real GDP and _ the price level.	A. increases ; raises B. does not change ; lowers C. decreases ; raises D. decrease ; lowers