PPSC Economics Topic 10 Public Finance

Sr	Questions	Answers Choice
1	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
2	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
3	Which of the following products will have an elastic demand.	A. Flour B. Cloth C. Honda city D. None of these
4	The supply of foreign currency tends to be	A. upward sloping B. down ward sloping C. Vertical D. any of the above
5	Which trade theory contents that a country that initially develops and exports a new product may eventually become an importer of if ,a nd may no longer manufacture the product.	A. Theory of factor endowments B. Theory of overlapping demands C. Economies of scale theory D. Product life cycle theory.
6	With no government and foreign trade sectors savings always equals.	A. Intended investment B. Realized investment C. Botha a and b D. None of these
7	In a pure market economy which of the following is a function of the price. i - provide information to sellers and buyers ii- Provide incentives to sellers and buyers	A. I only B. ii Only C. both i and ii D. Neither i nor ii
8	In the cost of slugger rises and slugger is major ingredient in jelly beans then the jelly bean.	A. Demand curve shifts to the left B. Supply curve shifts to the left C. Supply curve shifts to the right D. Demand and supply curves both shift to the right
9	Personal inocme 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
10	In Balance of payments accounting tourism and travel are classified in the	A. Merchandise trade account B. Services account C. Unilateral transfers account D. Capital account
11	If tastes are identical between countries than comparative advantage is determined by	A. Supply conditions only B. Demand conditions only C. Supply and demand conditions D. Can't tell without more information.
12	A stable equilibrium requires that the marginal propensity to consume is.	A. Less than zero B. Zero C. One D. None of these
13	Skills that cna be transferred to other employers are called.	A. General skills B. Specific skills C. Non pecuniary skills D. All of the above
14	Currency speculations is_____ if speculators bet against market forces that cause exchange functions, thus moderating such fluclutions.	A. Destabilizing B. Stabilizing C. Inflationary D. Deflationary

15	International trade is based on the idea that.	A. Exports should exceed imports B. Imports a should exceed exports C. Resources are more mobile internationally than are goods D. Resources are less mobile internationally than are goods.
16	The% change in quantity demanded due to % change in incomes.	A. Price elasticity B. Prices cross elasticity C. Income elasticity D. All of these
17	Indifference curves shows various combinations of.	A. One commodity B. Two C. Three D. All of these
18	If a country has linear production possibilities frontier than production is said to be subject to.	A. constant opportunity costs B. Decreasing opportunity costs C. First increasing and the decreasing opportunity costs D. Increasing opportunity costs.
19	A politician proposes reducing business taxes, a move she says will encourage risk taking entrepreneurship This proposed cut in business taxes is intended to stimulate the economy mainly though.	A. An increase in aggregate supply<hr id="null">>br>B. A decrease in aggregate supply C. A decrease in aggregate demand D. An increase in aggregate demand
20	Disposable income is.	A. Income less taxes B. Income less direct taxes C. income less indirect taxes D. All of these