

PPSC Economics Chapter 10 Most Frequently Asked Economics MCQS

Sr	Questions	Answers Choice
1	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
2	Increases in minimum wage	A. Helps in controlling unemployment B. Increases unemployment C. Reduce wage bill D. None of these
3	Price controls are	A. Necessary for consumer's welfares B. A must to check inflation C. Doomed to fall D. None of these
4	Which of the following products will have an elastic demand.	A. Flour B. Cloth C. Honda city D. None of these
5	Public utilities tend to be	A. Inefficient B. Natural monopolies C. subject to increasing costs D. None of these
6	The supply of foreign currency tends to be	A. upward sloping B. down ward sloping C. Vertical D. any of the above
7	Of the following which one is a characteristic of monopolistic competition.	A. Standardized product B. Comparatively easy only C. Little non price competition D. None of these
8	The largest trading partner of Pakistan is	A. Italy B. US C. USA D. None of these
9	An Engel curve is based on which one of the following assumptions.	A. Constant prices, very incomes B. Constant price, constant income C. Constant incomes, varying prices D. None of these
10	Which of the following type of taxes is the most regressive.	A. Income taxes B. Sales taxes C. Excise taxes D. None of these
11	The type of business in which an individual has unlimited responsibility for the debts of the organization.	A. Partnership B. Corporation C. Monopoly D. None of these
12	International trade during the 19th century was characterized by.	A. Extensive barriers to trade B. Operation of the gold standard C. A small volume of international trade D. None of these
13	A stable equilibrium requires that the marginal propensity to consume is.	A. Less than zero B. Zero C. One D. None of these
14	The exogenous variable in the income equation $C + I + G = Y$ is	A. C B. I C. G D. None of these

15	A purely monetary explanation of the business cycle is proposed by	A. Hawtrey B. Schumpeter C. Hansen D. None of these
16	A depreciation of the dollar will have its most pronounced impact on imports if the demand for imports is.	A. Constant B. Inelastic C. Elastic D. Unitary elastic
17	Which of the following is often considered to be inconsistent with the notion of perfect competition.	A. Large number of firms B. Free entry C. Complete mobility D. None of these
18	A straight line downward sloping demand curve implies that as price falls the elasticity of demand.	A. Increases B. Decreases C. Remain the same D. None of these
19	Two commodities are considered to be perfect substitutes for each other if the elasticity of substitution is	A. Positive B. Negative C. Infinite D. None of these
20	Since 1960 the rate of economic growth in the country has been	A. On the decline continuously B. Increasing continuously C. increasing occasionally. D. Static in real terms