

PPSC Economics Chapter 10 Most Frequently Asked Economics MCQS

Sr	Questions	Answers Choice
1	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
2	An increasingly higher marginal income tax is	A. Progressive B. Regressive C. Proportional D. Both b and c
3	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
4	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
5	In a "Lorenz curve diagram absolute equality in income distribution would appear as.	A. A curved line well bowed out from the diagonal B. A curved line close to the diagonal C. A right angled line D. A diagonal line
6	During the 1980's empirical evidence indicates that.	A. Poverty re emerged in Pakistan B. Good growth brought down poverty in Pakistan. C. Poverty situation showed no change D. None of the above
7	Expansion in money supply stems from.	A. Increasing the cost of bank credit B. Reducing availability of bank credit C. Reducing the financial cost of bank credit D. None of above
8	Health of a country's economy is indicated by	A. Number of doctors per 1,000 population B. Per capital income C. Literacy rate D. None of the above
9	An important policy instrument to influence commercial banks is.	A. Open market operations B. Changing reserve ratios of commercial banks C. Moral persuasion D. None of the above
10	The "balance trade" is a record of.	A. Exports and imports of financial assets B. The current account plus capital account C. The export of goods and services. D. the value of merchandise exports minus imports
11	All economic model ae based on	A. Realistic assumptions B. Assumptions which can never be perfectly realistic C. Unrealistic assumptions D. None of the above
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13	Since 1980, the number of people living on less than \$1 a day has	A. More than doubled B. Less than doubled C. Stayed about the same D. None of the above

13	In 25 years Pakistan's Per capital income	<p>C. Did not show more than 70% increase</p> <p>D. None of the above</p>
14	Saving means	<p>A. Part of income for investment</p> <p>B. Income for boarding</p> <p>C. Non consumption of income in the current period</p> <p>D. None of the above</p>
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17	Guid up of foreign exchange reserves leads to.	<p>A. Decrease in money supply</p> <p>B. increase in money supply</p> <p>C. contraction in money supply</p> <p>D. None of the above</p>
18	Devaluation leads to.	<p>A. Increase in imports</p> <p>B. Increase in exports</p> <p>C. Decline in imports</p> <p>D. None of the above</p>
19	The overall Budget Deficit is financed from	<p>A. External borrowing</p> <p>B. Non bank borrowing domestically</p> <p>C. Bank borrowing plus the above two at a and b</p> <p>D. None of the above</p>
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