PPSC Economics Topic 10 Public Finance

Sr	Questions	Answers Choice
1	Livestock is	A. An independent sector B. Sub -sector of agriculture C. Should be a part of Agriculture D. Would become a part of Agriculture
2	the difference between actual and planned expenditure is equal to.	A. X -M B. M- X C. Unplanned inventory change D. Excess reserves of depository institutions.
3	Disposable income is.	A. Income less taxes B. Income less direct taxes C. income less indirect taxes D. All of these
4	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
5	A tariff that probibits imports ahs only	A. A revenue effect and redislnbution effect B. Revenue effect and protection effect C. Consumption effect and production effect D. Redistribution effect and consumption effect
6	The overall Budget Deficit is financed from	A. External borrowing B. Non bank borrowing domestically C. Bank borrowing plus the above two at a and b D. None of the above
7	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
8	Which of the followings is NOT component of M-2	A. Small time deposits B. Money market mutual funds C. Stocks D. Checkable deposits
9	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
10	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
11	If saving rate is 12.0% , ICOR value is 3% and population Rate is 2.0% then the Growth Rate would be.	A. 2.0% B. 3.65 C. 4.0% D. 6.0%
12	Through the world government tend o auction quota license to their highest bidder.	A. Always B. Often C. Seldom D. Never
		A. A curved line well bowed out from

13	In a "Lorenz curve diagram absolute equality in income distribution would appear as.	the diagonal B. A curved line close to the diagonal C. A right angled line D. A diagonal line
14	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
15	Depreciation is.	A. A decrease in the stock of capital B. Gross investment C. Net investment D. An increases in the stock of capital
16	The nation, that, following currency depreciation, the balance of trade falls for a while before increasing is called a _____ effect.	A. Relative price B. Elasticity C. J- Curve D. Pass through
17	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
18	The exogenous variable in the income equation C +!+G = y is	A. C B. I C. G D. None of these
19	In pure competition.	A. Strong rivaled exist B. Cartels are formed C. Both a and b D. None of thes
20	Direct investment and security purchase are classified as.	A. Capital account transactions B. Current account transactions C. Unilateral transfer transactions D. Merchandise trade transactions