PPSC Economics Topic 10 Public Finance

Sr	Questions	Answers Choice
1	Your checking account is	A. An asset for you and a liability for your bank B. A liability for you and an asset for your bank C. An asset for both you and your bank D. A liability for both you and your bank
2	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
3	In autarky equilibrium.	A. Production equals consumption B. Export equal inmprts C. There is no trade D. All of the above
4	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
5	Unemployment Rate is a percentage relation with reference is.	A. Total population B. Civilian labour force C. Employed persons D. Unemployed persons
6	_____ represents the difference between what consumers have to pay for a product and what they are willing and able to pay.	A. Producer surplus B. Deadweight surplus C. Government surplus D. Consumer surplus
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	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.
9	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
10	Which of the following would most likely shift the production possibilities curve for a nation outward.	A. A reduction in unemployment B. An increases in the production of capital goods C. A reduction in discrimination D. An increase in the production of consumer goods
11	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
12	Saving means	A. Part of income for investment B. Income for boarding C. Non consumption of income in the current period D. None of the above
13	If the Federal Reserve wishes to increase the money supply it should.	A. Raise the reserve requirement B. Raise the discount rate C. Buy Treasury securities in the open market

		D. All of the above
14	Ad valorem tariffs are collected as	A. Fixed amounts of money per unit traded B. A percentage of the price of the product C. A percentage of the quantity of imports D. All of the above
15	Direct investment and security purchase are classified as.	A. Capital account transactions B. Current account transactions C. Unilateral transfer transactions D. Merchandise trade transactions
16	Which of the following is likely ot be longer for monetary policy that for fiscal policy.	A. The implementation lag B. The recognition log C. Both a and b D. None of these
17	Price controls are	A. Necessary for consumer's welfares B. A must to check inflation C. Doomed to fall D. None of these
18	A tax of 20 cents per unit of imported cheese would be an example of a	A. Compound tariff B. Effective traiff C. Ad valorem tariff D. Specific tariff
19	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
20	The Hocksher Ohlin model rules out the classical model's basis for trade by assuming that. _____ is identical between countries.	A. Factor endowments B. Factor intensities C. Technology D. Opportunity costs