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PPSC Economics Full Book MCQ Test

Sr	Questions	Answers Choice
1	In the ISLM framework the decreasing investment spending believed by Keynes to be the cause of the Great Depression would be illustrated by a shift of the ____ curve to the.	A. IS ;right B. IS ;Left C. LM ; Left D. LM ; Right
2	A decrease in fully autonomous investment other things equal shifts the ______ curve to the	A. IS ; right B. IS ; Left C. LM ; Left D. LM ; right
3	A decrease in fully autonomous investment other things equal shifts the ______ curve to the	A. IS ; right B. IS ; Left C. LM ; Left D. LM ; right
4	in the Keynesian cross diagram, a decrease in investment spending because companies become more pessimistic about investment profitability causes the aggregate demand function to shift _____the equilibrium level of aggregate output to ______l and the IS curve Curve to shift to the.	A. rise ; left B. rise ; right C. fall ; left D. fall ; right
5	in the Keynesian cross diagram, a decrease in investment spending because companies become more pessimistic about investment profitability causes the aggregate demand function to shift _____the equilibrium level of aggregate output to fall and the IS curve to shift to the.	A. up ; left B. up ; right C. down ; left D. down ; right
6	In the Keynesian cross diagram an increasing investment spending because companies become more optimistic about investment profitability causes the aggregate demand function to shift ______ and the equilibrium level of aggregate output to rise and the IS curve to shift to the	A. up ; right B. up ; left C. down ;left D. down ; right
7	In the Keynesian cross diagram an increasing investment spending because companies become more optimistic about investment profitability causes the aggregate demand function to shift ______ and the equilibrium level of aggregate output to rise and the IS curve to shift to the	A. up ; right B. up ; left C. down ;left D. down ; right
8	In the Keynesian cross diagram an increasing investment spending because companies become more optimistic about investment profitability causes the aggregate demand function to shift ______ and the equilibrium level of aggregate output to rise and the IS curve to shift to the	A. up ; right B. up ; left C. down ;left D. down ; right
9	In the Keynesian cross diagram an increasing investment spending because companies become more optimistic about investment profitability causes the aggregate demand function to shift _____ and the equilibrium level of aggregate output to.	A. up ; rise B. up ; fall C. down ;rise D. down ; fall
10	In the Keynesian cross diagram a decrease in investment spending because companies become more pessimistic about investment profitability causes the aggregate demand function to shift ______ and the equilibrium level of aggregate output to ______	A. up ; rise B. up ; fall C. down ;rise D. down ; fall
11	A decline in planned investment spending unrelated to the interest rate focuses the equilibrium level of aggregate output to ________ and shifts the _ curve to the _______	A. rise; Lm ; RIGHT B. RISE ; is; right C. fall ; IS; Left D. rise ; LM; left
12	A rise in planned investment spending unrelated to the interest rate causes teh equilibrium level of aggregate output to __________ at shifts the _____ curve to the _______	A. rise ; LM ;right B. rise ; IS ; right C. Fall ; LM ; left D. rise ;IS; right
13	A decrease in autonomous consumer expenditure causes the equilibrium level of aggregate output to __________ at any given interest rate and shifts the _______ curve to the __________	A. rise ; LM ;right B. rise ; IS ; right C. Fall ; LM ; left D. rise ;IS; Left
14	A decrease in autonomous consumer expenditure causes the equilibrium level of aggregate output to __________ at any given interest rate and shifts the ___ curve to the __________	A. rise ; LM ;right B. rise ; IS ; right C. Fall ; LM ; left D. rise ;IS; Left
15	An increase in autonomous consumer expenditure causes the equilibrium levelof aggregate output to _______ at any given interest rate and shifts the ____ curve to the	A. rise ; LM ;right B. rise ; IS ; right C. fall ; LM, Left D. rise ; IS ; Left

16	An increase in autonomous consumer expenditure causes the equilibrium levelof aggregate output to _______ at any given interest rate and shifts the ____ curve to the	A. rise ; LM ;right B. rise ; IS ; right C. fall ; LM, Left D. rise ; IS ; Left
17	An increase in autonomous consumer expenditure causes the equilibrium levelof aggregate output to _______ at any given interest rate and shifts the ____ curve to the	A. rise ; LM ;right B. rise ; IS ; right C. fall ; LM, Left D. rise ; IS ; Left
18	In the Keynesian corss diagra, an increase in autonomous consumer expenditure causes the aggregate demand function to shift up the equilibrium level of aggregate output to _______ and the IS curve to shift to the _______	A. rise ; left B. rise ; right C. fall ; left D. fall ; right
19	In the Keynesian cross diagram a decline in autonomous consumer expenditure causes the aggregate demand function to shift down The equilibrium level of aggregate output to ___________ and the IS curve to shift to the	A. rise,; left B. rise ;right C. fall ; left D. fall ; right
20	In the Keynesian corss diagram, and cline in autonomous consumer expenditure causes the aggregate demand function to shift down the equilibrium level of aggregate output to___________ and the IS curve to shift to the.	A. up ; left B. up ; right C. down ; left D. down ; right
21	In the Keynesian corss diagram, and cline in autonomous consumer expenditure causes the aggregate demand function to shift down the equilibrium level of aggregate output to___________ and the IS curve to shift to the.	A. up ; left B. up ; right C. down ; left D. down ; right
22	In the Keynesian corss diagram, and cline in autonomous consumer expenditure causes the aggregate demand function to shift _____ the equilibrium level of aggregate output to fall, and the IS curve to shift to the.	A. up ; left B. up ; right C. down ; left D. down ; right
23	In the Keynesian cross diagram, an increase in autonomous consumer function to shift _______ the equilibrium level of aggregate output to rise and the IS curve to shift to the.	A. up ; left B. up ; right C. down ; left D. down ; right
24	In the Keynesian cross diagram, an expenditure causes the aggregate demand function to shift _________ and the equilibrium level of aggregate output to.	A. up ; rise B. up ; fall C. down ; rise D. down ; fall
25	In the Keynesian cross diagram, a decline in autonomous consumer expenditure causes the aggregate demand function to shift ______ and the equilibrium level of aggregate output to.	A. up ; rise B. up ; fall C. down ; rise D. down ; fall
26	Other things equal a decrease in autonomous consumption shifts the _____ curve to the	A. IS ; RIGHT B. IS ; Left C. LM ; Left D. LF ; Right
27	If the Central Bank wanted to decrease the quantity of money held by the public it would.	A. Sell government securities B. Buy government securities C. Lower the legal reserve requirement D. Raise taxes
28	A decrease in the legal reserve ratio from 25% to 20% will	A. Result in light money B. Be contractionary C. Increases excess reserves and the potential money multiplier D. Decrease excess reserves and the potential money multiplier
29	The money multiplier is 4, and the money creating potential of the banking system is Rs. 40,000,000. The legal reserve ratio and the excess reserves are.	A. 40 percent and Rs. 4,000,000 B. 40 percent and Rs. 10,000,000 C. 25 percent and Rs. 2.500,000 D. 25 percent and Rs.10,000,000
30	If the central Bank wished to Tighten money is would.	A. Lower the discount rate B. Sell government securities C. Lower the legal reserve ratio D. Lower the tax rate