PPSC Economics Full Book MCQ Test

Sr	Questions	Answers Choice
1	If there is a price floor there will be	A. Shortages B. Surpluses C. Equilibrium D. None of these
2	The agricultural price support program is an example of.	A. A price ceiling B. A price floor C. Equilibrium pricing D. None of these
3	Direct investment and security purchase are classified as.	A. Capital account transactions B. Current account transactions C. Unilateral transfer transactions D. Merchandise trade transactions
4	The law of demand states that	A. As the quantity demanded rises, the price rises B. As the price rustiest he quantity demined rises C. As the price rises, the quantity demanded falls D. As supply rise, the demand rises
5	The bowed shape of the production possibilities curve illustrates	A. The law of increasing marginal cost B. the production is inefficient C. the production in unattainable D. The demand is relatively inelastic
6	Capitalism refers to	A. the use of markets B. Government ownership fo capital goods C. Private ownership of capital goods D. Private ownership of homes and cars
7	The fundamental economics problem faced by all societies is	A. Un employment B. In equality C. Poverty D. Scarcity
8	The impact and incidence of sales tax is	A. On the consumer B. On the seller C. On the producer D. None of these
9	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
10	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
11	When unintended investment is positive	A. Output tends to rise B. Output tends to fall C. Output is in equilibrium D. None of these
12	Which of the following is a stock variable.	A. Gross private domestic investment B. Personal savings C. Both a and b D. None of these
13	Personal inocme is obtained by adding which items to national income	A. Govt. transfer payments B. Business transfer payments C. Both a and b D. None of these
14	In pure competition.	A. Strong rivaled exist B. Cartels are formed C. Both a and b D. None of these

		D. None of thes
15	MRSxy being 6 means	A. Consumer is willing to give up 6 units of x for one of y B. Preference for y is 6 times that of x C. Both of the above D. None of these
16	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
17	Increases in minimum wage	A. Helps in controlling unemploymentr B. Increases unemploymentr C. Reduce wage bill D. None of these
18	Price controls are	A. Necessary for consumer's welfares B. A must to check inflation C. Doomed to fall D. None of these
19	Which of the following products will have an elastic demand.	A. Flour B. Cloth C. Honda city D. None of these
20	Public utilities tend to be	A. Inefficient B. Natural monopolies C. subject to increasing costs D. None of these
21	The supply of foreign currency tends to be	A. upward sloping B. down ward sloping C. Vertical D. any of the above
22	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
23	The largest trading partner of Pakistan is	A. Italy B. US C. USA D. None of these
24	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
25	Which of the following type of taxes is the most regressive.	A. Income taxes B. Sales taxes C. Excise taxes D. None of these
26	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
27	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
28	A stable equilibrium requires that the marginal propensity to consume is.	A. Less than zero B. Zero C. One D. None of these
29	The exogenous variable in the income equation C +!+G = y is	A. C B. I C. G D. None of these
30	A purely monetary explanation of the business cycle is proposed by	A. Hawtrey B. Schumpeter C. Hansen D. None of these