

PPSC Economics Full Book MCQ Test

Sr	Questions	Answers Choice
1	Following is the important feature of the Islamic economic system.	A. Zakat B. Usher C. Mudaraba and Musharika D. All of these
2	Expenditure on unproductive assets are strangely criticized and savings are emphasized by	A. Ibn e Khaldun B. Ibn e Taimiya C. Nasiruddin Tosi D. None of these
3	Forced labor is one of the greatest injustice in the world according to.	A. Imam Abu Yousaf B. Imam Abu Qasim C. Khalil Jabran D. Ibn e Khaldun
4	Ibn-e Khaldun discussed in detail the principles of.	A. Taxation B. Terms of trade C. Term of rent D. Duties of ruler
5	The renowned economist and Islamic scholar who applied principles of politics economics was.	A. Imam Abu Haneefa B. Ibn e Khaldun C. Imam Abu Yousaf D. Abu Qasim
6	Tax and rulers duty and terms of trade are discussed in.	A. Kitab ul Anwal B. ammal C. Kitab Ul Asar D. Kitab ul Khiraj
7	One of the following is the renowned book of Imam Abu Yousaf	A. Kitab ul khiraj B. Kitab ul Anwal C. Kitab ul Aloom D. All of the sese
8	In Islamic economic system following means of gaining wealth are permitted	A. smuggling B. Hoarding C. Gambling D. None of these
9	In Islamic economic system business is allowed in the field of.	A. Halal goods only B. beneficial goods C. Consumer goods D. All of these
10	A activates which do not promote human welfare cannot be encouraged.	A. Western estate B. Police state C. Islamic estate D. None Islamic estate
11	For a Muslim living within the code of Islam primary source for the the solution of economic problems is.	A. the Holy Quran B. Sunnah C. Both a and b D. None of these
12	Islamic economics is a social science which studies the economics of people living within the frame work of.	A. Islam B. Nationalism C. Arab nationalism D. All of these
13	For a given positively sloped supply curve the price increase to consumers resulting from a specific tax imposed on sellers will be.	A. Greater the more price elastic demand is B. Greater the less price elastic demand is C. Equal to the entire tax when demand is perfectly elastic D. Equal to half of the tax whenever demand is unit elastic
14	A Horizontal demand curve for a good could arise because consumers.	A. Are irrational B. Are not sensitive to price changes C. View this good as identical to another good D. Have no equivalent substitutes for ..

		this good
15	If the price of automobiles were to increase substantially the demand curve for gasoline would most likely	A. Shift leftward B. Shift right ward C. Become flatter D. Become steeper
16	A specific tax on sellers will	A. shift the demand curve to the right B. Shift the demand curve the left C. Shift the supply curve to the right D. Shift the supply curve to the left
17	If the price of orange juice rises 10% and as a result the quantity demanded falls by 8% the price elastic of demand for orange juice is.	A. -1.25 B. Inelastic C. Both a and b D. Neither A nor B above
18	The percentage change in the quantity demanded in response to a percentage change in the price is known as the.	A. slope of the demand curve B. Excess demand C. Price elasticity of demand D. All of the above
19	A vertical demand curve for a particular good implies that consumers are.	A. Sensitive to changes in the price of that good B. Not sensitive to changes in the price of that good. C. Irrational D. Not interested in that good
20	A vertical demand curve results in.	A. No change in quantity when the supply curve shifts. B. No change in price when the supply curve shifts C. No change in the supply curve being possible D. No change in quantity when the demand curve shifts.
21	If the demand curve for a good is horizontal and the price is positive then a leftward shift of the supply curve results in.	A. a price of zero B. An increase in price C. A decrease in price D. No change in price
22	Consumers and firms are known as price takers only if	A. No market exists to determine the equilibrium price B. they can set the market price C. They cannot effect the market price D. Excess demand exists
23	It is appropriate to use the supply and demand model if in a market.	A. Everyone is a price taker with full information about the price and quantity of the good. B. Firms sell identical products C. Costs of trading are low D. All of the above
24	In the labor market if the government imposes a minimum wage that is below the equilibrium wage then.	A. Workers who wish to work at the minimum wage will have a difficult time finding jobs. B. Firms will hire fewer workers than without the minimum wage law. C. Some workers may lose their jobs as a result D. Nothing will happen to the wage rate or employment
25	If a government imposed price celling causes the observed price in a market to be below the equilibrium price.	A. There will be excess demand B. There will be excess supply C. The curves will shift to make a new equilibrium at the regulated price D. None of the above
26	When two goods are substitutes a shock that raises the price of one good causes the price of the other goods to.	A. Remain unchanged B. Decrease C. Increase D. Change in an unpredictable manner
27	A competitive equilibrium is described by	A. A price only B. A quantity only C. The excess supply minus the excess demand. D. A price and a quantity
28	If price is initially above the equilibrium level.	A. the supply curve will shift rightward B. The supply curve will shift letward C. Excess supply exists D. All firms can sell as much as they

B. Firms can sell as much as they want

29 Equilibrium is defined as a situation in which.

- A. Neither buyers nor sellers want to change their behavior
- B. No government regulations exist
- C. Demand curves are perfectly horizontal
- D. suppliers will supply and amount that buyers wish to buy

30 The expression increase in quantity supplied is illustrated graphically as a.

- A. Leftward shift in the supply curve
- B. Rightward shift in the supply curve
- C. Movement up long the supply curve
- D. Movement down along the supply curve