1-National Income is sum of
A. All tax receipts of the federal govt.
B. All wealth of the country
C. Aggregate annual income of the federal Government
D. Value of goods and services produced during a year

2- After deducting direct taxes from personal income , we get
A. Net National Income B. Net domestic income
C. Disposable Personal income D. Gross National product

3- What is deducted from gross national product to get Net national product?
A. Direct Taxes B. Indirect Taxes C. Depreciation Allowance D. Subsidies

4- Which represents equilibrium level of National income?
A. AD = AS B. National Income = Consumption Expenditure
C. Saving = Total Expenditure D. GDP = NNP

5- Which of the following problem is not discussed in macroeconomics
A. National Investment B. National income
C. Consumer's Behavior D. National Savings

6-Which of the following is not counted towards national income:
A. Income received from pension B. Income of the barber
C. Profits of banks D. Fee of the lawyers

7-What is deducted from Gross National product (GNP) to get Gross domestic product?
A. Depreciation Allowance B. Income received from abroad
C. Indirect Taxes D. Transfer Payments

8-In the measurement of National income, 'Product Approach' is another name of:
A. National Income at market prices B. National Income at factor cost
C. Index number Method D. Income Approach.

9-Who said, "The quantity of goods and services which is consumed during a year is called National Income."
A. Robbins B. Prof. Fisher C. Paul. A. Samuelson D. Keynes

10-What can be obtained from the following formula: change in consumption / change in income
A. Average propensity to consume B. Marginal propensity to consume
C. Per Capita Income D. Nominal Income

11-Unempolyment Allowance included in:
A. Net National Product B. Transfer Payments
C. Gross National Product D. Production Cost

12-Which of the following branch of economics deals with the national income statistics
A. Microeconomics B. Macroeconomics
C. Positive Economics D. Agricultural Economics

13-Which of the following difficulty is faced when the value of the goods is counted at every stage of production while computing GNP?
A. Risk of Multiple counting B. Possibilities of increase in tax
C. Risk of tax evasion D. Decrease in National Income

14-Scarcity exists
A. in only poor countries B. in small countries
C. in all countries of the world D. in societies that waste resources

15-Microeconomics concentrates
A. on inflation B. international economic relations
C. individual economic units D. economic development

16-Macroeconomic deals with
A. how to buy groceries B. establishment of a new firm
C. aggregate economic activity D. industrial activity

17-Marginal Propensity to save is:
A. Income - Consumption B. Saving = Consumption
C. Savings / Income D. 1 – MPC

18-Which of the following is not included in Gross National Product
A. Doctor's fee B. Income of tenant
C. Services of laundryman D. Services of Housewives

19-Which of the following is not included in Net National Product
A. Consumer Goods B. Capital Goods
C. Consumer & Capital Goods D. Capital Formation

20-By deducting direct taxes from personal income, we get:
A. "Gross National Product" B." Gross National Product"
C. "Gross Domestic Product" D. None of these

21-Illegal income includes in:
A. "Gross National Product" B." Gross National Product"
C. "Gross Domestic Product" D. None of these

22-Per Capita Income is equal to:
A. National Income x Population B. National Income + Population
C. National Income - Population D. National Income / Population

23-Which of the following measure ca be adopted to increase per capita income
A. Increase in population C. Increase in National Income
B. Increase in interest rate D. Increase in wages

24-Average propensity to consume (APC) is equal to:
A.C / Y B.Y/ C C. C / S D. S / C

25-The reason of low per capita income of Pakistan
A. Increase in population B. Demographic conditions
C. Lack of capital formation D. A & C both

26-Production which takes place within the geographical boundaries of a country is called
A. National Income B. Gross Domestic Product
C. Gross national Product D. Depreciation Allowance

27-A family of one or more persons with a common budget are called in economics
A. union B. organization C. household D. house members

28-Which of the following issue is not discussed in Macroeconomics?
A. National Income B. Unemployment
C. Investment D. Price determination of firms

29-Which of the following is transfer payment
A. Alms B. Commission C. Salary D. Bonus

30-Gross National Income minus depreciation allowance is equal to
A. Net National Product B. National Income
C. Gross Domestic Product D. Personal Income

31-Select the correct statement
A. Economics affects politics B. Economics affects history
C. Geography affects economics D. All of the above are true

32-The formula of Marginal propensity to consume (MPC) is:
A. Change in savings / Change in Income B. Change in income / Change savings
C. Change in consumption / Change in Income D. Change in income / Change in Consumption

33-The measurement of National Income is for the period of
A. One Year B. Two Years C. Three Years D. One and half years

34-How many methods are there to compute national income
A. 2 B.3 C. 5 D. 4

34 The formula of Marginal propensity to save (MPS) is:
A. Change in savings / Change in Income B. Change in income / Change savings
C. Change in consumption / Change in Income D. Change in income / Change in Consumption

35-A payment to a person for which there is no services exchanged is called
A. Real Income B. Per capita income
C. Personal payment D. Transfer payments

36-The equilibrium level of economy is determined where:
A. Consumption = Savings B. Savings = Investment
C. Consumption = Investment D. Income = Investment

37-Which of the following is not Transfer payment?
A. Pension B. Alms C. Scholarship D. Wage

38-Per capita income is equal to:
A. Per worker income B. Per household income
C. Per Head income D. Per Employee Income

39-By deducting indirect taxes from Net National Product, we get:
A. National Income B. Personal Income C. Disposable personal Income D. GDP

40-Consumption is a function of:-
A. saving B. investment C. income D. expenditure

41-Which one is investment in economics?
A. building a factory B. buying shares in stock exchange
C. depositing money in bank D. depositing money with housing society

42-Marginal propensity to consume (MPC) is:-
A. ratio of additional income consumed B. ratio of total income consumed
C. consumption divided by saving D. Change in consumption / change in income

43-Which of the following would increase national income
A. increase in taxation B. increase in govt. spending
C. depositing money with housing society D. increase in savings

44-Which of the following is a withdrawal from the circular flow of income stream?
A. investment B. subsidies C. consumption D. taxation

45- Aggregate demand means:-
A. aggregate saving C. aggregate income B. aggregate investment D. aggregate expenditure

46- In equilibrium of national income:-
A. S > I B. S = I C. S < I D. All are true

47-MPC is
A. C/Y B. change in C/change in Y C. Y/C D. change in Y/ change in C

48-National income equals:-
A. C+S+G B. C+I+G C. C-I-G D. C-S-G

49-Aggregate demand equals:-
A.C+L+T B. C+S+T C. C+I+G D. C-T+G

50- GDP at constant prices, calculated according to some base year is called:-
A. actual GDP B. nominal GDP C. real GDP D. none of these

51. MPC is always
A. positive B. negative C. zero D. more than APC

52. This will cause decrease in national income:-
A. rise in exports B. Net GDP C. increase in taxes D. b and c of above

53- Equilibrium of national income will be when:-
A. S > I B. rise in saving C. S < I D. AD = AS

54- If MPC = 0.75 and national Rs. 400 billion, national consumption will be equal to:-
A. 400\times0.75 B. 400\div0.75 C. 400 +0.75 D. 400-0.75

54-Which shows equilibrium of national income
A. consumption = investment C. saving < investment C. saving > investment D. saving = investment

55-This will cause an increase in national income
A. rise in exports B. rise in imports C. fall in consumer spending D. increase in saving

56- If C 200 and I = 40 then Y will equal:-
A. 160 B. 240 C. 8000 D. 1000

57-Determinants of national come are
A. Natural resources, human resource, monetary resource
B. Natural resources, capital resources, monetary resource
C. Natural resources, capital resources, human resources
D. natural resources, capital resources, foreign resources

58-Natione income is estimated by
A. product, import and export methods
B. product, income and consumption methods.
C. product, income and market methods
D. product, income and expenditure methods

59-National income of a country does not include
A. self-services, low wages
B. corporate taxes and gifts
C. donations and high salaries
D. illegal incomes and unreported incomes

60-Which statement is true
A. inflation does not play any role in distribution of national income
B. inflation plays unfavorable role in distribution of national income.
C. inflation plays favorable role in distribution of national income
D. inflation brings equality in aggregate demand and aggregate supply

61-GDP stands for
A. great domestic progress
C. gross domestic product
B. grand development plan
D. gross domestic plan

62-It is NOT a method to measure national income-
A. adding all expenditure
C. adding value of goods and services
B. adding all incomes
D. adding all taxes

63-Which of the following would be NOT included in GNP.
A. government support to the very poor people
B. payment for construction of highway
C. government purchase of an airplane
D. the salary paid for the President's secretary

64-It is transfer payment
A. payment of pocket money to children B. financial support to old parents
C. broker's commission in some auction D. a and b of above

65-It is NOT transfer payment
A. payment of pocket money to children B. financial support to old parents
C. a broker's commission D. donation to a hospital

66-To find net national product depreciation allowance is
A. added to GNP B. subtracted from GNP
C. multiplied with national income D. has no role in national accounting

67-In circular flow of National income model
A. international transactions are never included B. household income is limited to wages and salaries
C. Govt. taxes and expenditure are always balanced D. households own the resources

68-A country is poor if it has
A. less production of goods per capita B. D. less exports
C. less amount of gold D. less amount of foreign currency

69-It is transfer payment
A. bus fare B. college fee C. pension D. Car token fee

70-They have a functional relation
A. consumption and national income B. consumption and investment
C. consumption and saving D. all of the above

71- This is NOT a method to measure national income
A. adding all incomes B. adding all expenditure
C. adding money value of all production D. adding all money supply in the country

72- Gross national product (GNP) includes
A. a loan from one's parents B. a loan from other countries
C. a loan from a domestic bank D. none of the above

73-Macroeconomics is concerned with
A. aggregate economic activity C. how to produce goods
B. spending decisions of households D. how to buy stocks and bonds

74-Which of the following is not related with Macroeconomics
A. inflation B. the level of output in the economy
C. unemployment D. level of wages in a garment industry

75-A closed economy is best described as one in which
A. there are no monopolies B. no externalities C. no corporations D. no international trade

76-In economics, one or more persons living in a joint family are called a
A. community B. social gathering C. super family D. household

77-The largest type of income in the Pakistan is
A. compensation of employees B. rental income C. proprietors income D. corporate profits

78-Total value of all final goods and services produced annually by a country
A. GNP B. NNP C. GDP D. NI

79-Which measure has the larger value (for Pakistan)
A. NNP B. GNP C. GDP D. NI

80-An open economy:-
A. must be a democracy B. is that interacts with other economies
C. is that does not interacts with other economies D. None of these

81. Personal income includes
A. direct taxes B. indirect taxes C. depreciation D. none of the above

82. If savings exceed investment then
A. national income rises C. national income is not affected
B. national income falls D. none of the above

83-If we include it, national income will be over-estimated
A. transfer payment B. income from abroad C. illegal income D. exports

84-It is avoided to make correct estimate of national income
A. free services B. double counting C. illegal income D. all of the above

85-It is not included in estimation of national income
A. transfer payments B. indirect taxes C. services of house wife D. all are not included

86- In National Income circular flow model,
A. households own the resources B. there are no international transactions
C. household income is limited to wages and salaries D. federal govt. budget is balanced annually

87-National Income and Product Data are given in the following table

Exports	200
Imports	300
Net Investment	460
Indirect business taxes & subsidies	150
Capital consumption allowance	300
Govt. purchases of goods and services	600
Govt. transfer payments	350
Personal consumption spending	1000

From the information given what is gross Investment?
A. 540 B. 600 c. 690 D. 750 e. impossible to determine
ii. What is GNP for the economy?
A. 2300 B. 2600 C. 2950 D. 3490
e. impossible to determine
iii. What is NNP?
A. 2000 B. 2300 C. 2600 D. 3400
e. impossible to determine
iv. What is National Income for the economy?
A. 1000 B. 1300 C. 1850 D. 1500
e. impossible to determine

88-In terms of national income accounts, multiple counting refers to
A. the addition to GNP of multiple units of a good
B. counting currently produced goods more than once
C. the inclusion in GNP of gross spending and taxes
D. counting both goods and services

89-Net Investment is
A. gross Investment minus household Investment B. gross Investment minus govt. Investment
C. gross Investment minus capital consumption allowance D. none of the above

90-Personal income is equivalent to
A. DPI minus personal taxes B. DPI plus unearned receipts
C. DPI minus income earned but not received D. NI plus unearned receipts minus personal taxes

91-Market value of all final goods and services produced in a country during a year is definition of
A. NI B. GNP C. NNP D. Consumption

92-Investment spending includes the purchase of
A. lottery coupon C. residential construction B. prize bonds D. all of the above

93-Which of the following would NOT be included in GNP
A. govt. transfer payments B. payment for construction of highway
C. govt. purchase of an airplane D. salary paid for the President's secretary

94-Consumption spending does NOT include
A. household's purchases of clothes B. household's purchase of a car
C. household's payment of rent for an apartment D. household's purchase of shares of a business corporation

95-Net exports (NX) are
A. total exports plus total imports B. total exports minus total imports
C. total imports minus total exports D. total exports divided by total imports

96-National Income is
A. all taxes plus govt. spending
B. sum of personal income and saving
C. NNP minus the capital consumption allowance
D. total income earned in producing the national product

97-Which of the following is not included in personal Income
A. social security benefits B. student scholarships
C. dividend payments D. undistributed corporate profits

98-In circular flow model
A. Govt. owns productive resources B. firms own productive resources
C. households own productive resources D. rent of land is not included

99-Govt. transfer payment include
A. social security benefits B. interest received from of saving certificates
C. welfare benefits D. all of the above

100-It would increase the level of national income
A. an increase in taxation B. a reduction in consumer spending
C. an increase in exports D. production of goods per day

101-National income is a measure of
A. the size of government revenue B. total working hours
C. a reduction in government spending D. payments made to factors of production

102-In calculating national income which one will NOT be included
A. exports B. wages of a lecturer
C. undistributed profit by firms D. old age pensions

103-GNP is
A. total sales in the economy
B. total monetary transactions in an economy
C. sum of market values of all goods and services produced in an economy
D. total spending in an economy

104-GNP includes:-
A. a loan from a bank B. gifts and donations
C. a loan from one's parents D. a broker's commission

105-How many methods are there of measuring national income.
A. 5 B. 4 C. 6 D. none of these

106-If we compare GDP and GNP, then
A. GNP = GDP-net income from abroad C. GNP= NNP-net income from abroad
C. It is deducted from GNP to get NNP D. GNP= GDP + net income from abroad

107-Which is the largest concept of National Income?
A. GNP B. GDP C. NNP D. PI

108-Which is the true statement in Economics

A. transfer payments are included in national income B. depreciation allowance is a part of GNP
C. taxes are not included in NNP D. GDP means Gross Direct Production

109-Which is a flow concept?
A. NNP B. GNP C. DPI D. PI

110-To avoid double counting when GDP is estimated, economists
A. use GDP deflator B. use retail prices
C. calculate value added at each stage of production D. use prices of only intermediate goods

111-A TV set purchased from a retail store is an example of
A. intermediate good B. capital goods C. surplus goods D. final goods

112-It is deducted from GNP to find NNP
A. savings B. direct taxes
C. income earned and received from abroad D. Depreciation Allowance

113-Undistributed profits of corporation are considered
A. income earned but not received B. income received but not earned
C. depreciation allowance D. None of the above

114-Solve If in a country, National Income = 400 billion rupees, Social Security Contribution = 115 billion Rs
Undistributed Profits = 15 billion Rs , Transfer Payments = 55 billion Rs, Direct Taxes = 70 billion Rs
Find out (a) Personal Income (PI)
(b) Disposable personal Income (DPI)

115-How many methods are there of measuring GDP.
A. 2 B. 5 C.3 D.4

116-Real national income increases when:-
A. prices of goods are rising. B. quantity of goods and services increases
C. quantity of goods and services decreases D. None of these

117-It is considered as investment.
A. construction of a house B. free medical care to officers
C. Construction of shoe factory D. selling the gold

118-It is considered as transfer payments
A. salaries of govt. employees B. salaries of college professors
C. payment of college tuition D. interest paid for a bank loan

119-GNP is always
A. less than NNP B. Greater than NNP C. equal to NNP D. None of these

120-The four factor payments are
A. money, capital, salaries, and income B. money, power, prices, and wealth
C. wages, rent, interest, and profits D. wages, interest, salaries, and taxes

121-It is transfer payment
A. bonus of bank employees. B. Unemployment allowance paid by govt.
C. a social security payment D. B and C of above

122-It is counted in GDP
A. sale price of an old car B. national savings increase.
C. purchase of an old house. D. payment for a leased car.

123-If government increases taxes, private savings
A. increase B. decrease C. do not change D. will become zero

124-If C=200 and S=140 then Y will equal
A. 160 B. 240 C. 340 D. 8000

125-Corporate tax is levied on
A. importers B. landlords C. municipal corporations D. big companies

126-If we deduct direct tax from personal income, we get
A. net national income B. disposable income C. personal saving D. per capita income.

127-The largest part of national income goes to
A. consumption B. investment C. saving D. transfer payments.

128-We can measure national income by this method
A. expenditure method B. income method C. product method D. all of the above.

129-Which statement is true
A. NNP = GNP-Depreciation B. NNP = NI
C. NNP = DPI D. NNP = GNP + Depreciation

130-Transfer payments means
A. bank loans B. tax payments
C. the payment without work D. payments made to all factors of production

131-Direct taxes are not included in
A. NNP B. PI C. DPI D. a and c of above

132-When National income is estimated by expenditure method, we include
A. all govt. expenditure B. all households expenditure
C. all expenditure of the business sector D. all of the above

133-Which statement is true
A. National expenditure = National income
B. National Expenditure = National income + National production
C. National Expenditure = National income + National Taxes
D. National Expenditure = National income Taxes

134-Which statement is true?
A. National Income = National Expenditure - indirect taxes B. NI = GNP - NNP
C. NI = NNP - indirect Taxes D. None of these

135-National income = National expenditure is an:-
A. equation B. identity C. function D. none of these

136-Per capita income is:-
A. Income per worker B. income per head C. income per household D. income per industrial unit

137-If indirect taxes are deducted from NNP and subsidies are added, we achieve:-
A. personal savings B. DPI C. National income D. Per capita income

138-Transfer payments are not included in national income because:-
A. such payments are made to persons living abroad B. double counting would result
C. they are illegal D. there is no method to account for these.

139-To determine the correct level of GNP, it is necessary to:-
A. add up the values of goods and services during one year B. add up all savings
C. count all imports D. add up the value of semi-finished goods.

140-It is a kind of money
A. credit money B. easy money C. plastic money D. D. all of the above

141-It is not included in kinds of money
A. legal money B. credit money C. token money D. false money

142-Cross cheque has two lines drawn on
A. right side upper corner B. left side upper corner C. right side lower corner D. in the center

143-Paper money is called fiat money because
A. It is issued with authority of government B. it is convertible into gold
C. it can be easily printed D. it is light weight

144-Speculative demand for money depends upon
A. investment B. income C. rate of interest D. none of these

145-If money supply in a country decreases
A. prices will rise B. prices will fall C. rate of interest falls D. b and c of above

146-In the equation MV = PY, V represents
A. value of money B. velocity of circulation of money
C. variation of nation income D. all of the above

147-In the equation MV = PY, M represents
A. maximum output B. minimum output C. money supply D. money demand

148. According to Keynes, motives for holding money are
A. Three B. two C. four D. five

149-Quantity Theory of Money explains that
A. value of money depends upon quantity of money B. rate of interest depends upon supply of money
C. demand of money depends upon quantity of money D. a and b of above

150-Cross cheque has a cross sign (X) in the
A. right side upper corner B. right side lower corner
C. It does not have cross sign (X) D. left side upper corner

151-Cross cheque means
A. it has been cancelled B. cash cannot be directly drawn from the bank
C. it has two lines drawn in left upper corner D. b and c of above

152-It is true to say about kinds of inflation
A. demand pull and cost push inflation C. demand pull and income pull inflation
B. demand pull and profit push inflation D. none of the above

153-Liquidity of a monetary asset means
A. velocity of circulation of money B. easy availability of money
C. the monetary asset has lost it valued D. ready acceptability of monetary asset

154-Barter means
A. trade through metallic money only B. trade of goods only excluding services
C. trade of low value goods only D. trade without use of money

155-Money which has no purchasing power is called
A. token money B. credit money C. false money D. none of these

156-With reference to currency system of a country token money means
A. token tax C. its face value is higher than intrinsic value
B. its face value is lower than intrinsic value D. advance payment to purchase something

157-Ten-rupee note is
A. convertible B. mean currency C. inconvertible D. none of these
C. are bought and sold on stock exchange market

158-Paper money in Pakistan is got
A. has good design B. a prize bond C. has a fixed value in gold D. a and c of above

159-How do Purchasing of Government securities will affect the general price level?
A. Price will increase B. Price will decrease C. Price remains constant D. None of these

160-Which is the characteristic of good money?

A. is readily accepted by people B. linked to gold C. has high valued D. a and b

161-This is NOT money
A. currency B. Cross cheque C. demand deposit in a bank D. none of the above

162-This is NOT a characteristic of good money
A. high intrinsic value B. liquidity C. general acceptability D. Fortified

163-Government of Pakistan issues currency on the basis of:
A. availability of gold in the country C. demand for money in the country
B. availability of dollars in the country D. All of these

164-Quantity of money has relation with value of money
A. direct B. indirect C. inverse D. Zero

165-Commercial banks create
A. credit money B. token money C. legal money C. paper money

166-Cheque is
A. credit money B. paper money C. legal money D. Near money

167-The most important feature of money is
A. general acceptability B. store of value C. Deferred payment D. Govt. Payment

168-It can change money supply
A. National Assembly B. Senate C. Supreme Court D. SBP

169-Which of the following increases money supply in the country?
A. purchase of bonds by State Bank B. sale of bonds by State Bank
C. increase in discount rate D. decrease in taxes

170-Paper money came into common use
A. 100 years ago B. 200 years ago C. 1000 years ago D. 2000 years ago

171-Which property the paper money does NOT possess
A. acceptability B. divisibility C. durability D. portability

172-A saving account in a bank represents the function of money
A. a measure of value B. a medium of exchange
C. store of value D. a standard for deferred payments

173-A student records her income and spending for past month, she uses the function of money
A. medium of exchange B. standard of deferred payments
C. unit of account D. store of value

174-It implements monetary policy of the country
A. central bank B. commercial banks C. specialized bank D. finance department

175-In payment of debt, people can use this kind of money
A. legal money B. credit money C. a and b of the above D. none of these

176-Anything used as money must be
A. fixed in value B. fixed in supply C. real money D. readily acceptable online

177-What will promote savings?
A. increase in credit facilities B. increase in taxation
C. increase in personal incomes D. rising prices

178-Treasury Bill is a document used for
A. a short term loan to the exporter B. a short term loan to the importer
C. a short term loan to the government D. a short term loan to govt. employee

179-Which does NOT represent a method of payment?
A. cheque B. bill of exchange C. saving certificate D. currency note

180-Which is NOT a desirable characteristic of money?
A. portable B. uniform C. easily recognized D. abundance

181-This is a difficulty of barter system
A. lack of double coincidence of wants C. lack of divisibility of many goods
B. difficulty to produce goods at large scale D. all of the above

182-Government of Pakistan issues currency on the basis of
A. availability of gold in the country C. demand for money in the country
B. availability of dollars in the country D. tax collection

183-Quantity of money has relation with value of money
A. direct B. indirect C. inverse D. no relation

184-Commercial banks create
A. credit money B. token money C. legal money D. do not create money

185-Cheque is
A. legal money B. credit money C. paper money D. not money

186-The most important feature of money
A. general acceptability B. store of value
C. medium of exchange D. convertibility into gold

187-It cannot change money supply in the economy
A. National Assembly B. Supreme Court C. Government D. All of these

188-Which of the following decreases money supply in the country?
A. Selling of bonds by State Bank B. purchasing of bonds by State Bank
C. increase in discount rate D. Decrease in discount rate

189-Which property the paper money does NOT
A. durability B. portability C. acceptability D. divisibility

190-Metal money came into common use
A. 1000 years ago B. 2000 years ago C. 5000 years ago D. 7000 years ago

191-A current account in a bank represents the function of money.
A. a measure of value C. a standard for deferred payments
B. a medium of exchange D. store of value

192-A student records her income and spending for past month, she uses the function of money
A. medium of exchange B. standard of deferred payments
C. store of value D. unit of account

193-It does not implements monetary policy of the country
A. central bank B. commercial banks C. All specialized bank D. finance department

194-In payment of deferred payments, people can use this kind of money
A. legal money B. credit money C. real money D. legal tender

195-Anything used as money must be
A. fixed in value B. fixed in supply
C. a and b of the above D. readily acceptable

196-What will demote savings?
A. increase in credit facilities C. increase in personal incomes
B. increase in taxation D. None of these

197-Treasury Bill is a document used for
A. a short term loan to the exporter B. a saving certificate
C. a short term loan to the government D. a short term loan to the importer

198-Which does NOT represent a method of payment?
A. cheque B. currency note C. bill of exchange D. Price bond

199-Which is NOT a desirable characteristic of money?
A. portable B. uniform C. easily recognized D. abundance

200-This is a demerit of credit money
A. lack of double coincidence of wants C. lack of divisibility of many goods
B. It creates inflation D. it creates deflation

201- 10 Rupee is a coin of.
A. full value B. token money C. credit money D. convertible

202-Cash can be directly drawn from a bank against
A. Cross cheque B. Order cheque C. Bearer cheque D. Traveller's cheque

203-Money material should be
A. abundant B. scarce C. beautiful D. heavy

204-In Pakistan money of account is
A. paisa B. rupee C. gold D. US dollar

205-If no money is used to exchange goods, it is called
A. black marketing B. free trade C. barter D. currency

206-Which is NOT the function of money
A. make demand and supply equal C. medium of exchange
B. Unit of Account D. Store of value

207-Which is money
A. cheque B. credit card C. currency D. prize bond

208-Convertible money means
A. It can buy goods B. Govt. can give gold against it
C. store of value D. measure of value

209-Barter has the defect of
A. illegal money B. low value money
C. goods exchanged are of inferior quality D. lack of common measure of value

210-Legal money is called so because of
A. The buyer must pay in that money weB. B. goods cannot be exchanged for services
C. D. it is official medium of exchange D. sellers do not accept any other money

211-It is the medium of exchange
A. black money B. near money C. currency D. foreign exchange

212-The govt. can control inflation by
A. increasing demand for goods C. increasing money supply
B. increasing supply of goods D. decreasing taxes

213-Consumption is a function of
A. saving B. investment C. income D. expenditure

214-Which one is NOT the investment in economics?
A. building a factory B. buying shares in stock exchange
C. depositing money in bank D. Build home to reside

215-Marginal propensity to consume (MPC) can be measured by:-
A. 1 – MPS B. 2 – MPC C. 0.0 – MPS D. 1 + MPS- MPC

216-Which of the following would increase national income?
A. Decrease in taxation B. increase in govt. spending
C. depositing money with housing society D. increase in savings

217-Which of the following is a withdrawal from the circular flow of income stream?
A. investment B. subsidies C. aggregate saving D. aggregate income

218-Aggregate demand means
A. C+S+G B. C+1+G C. C-1-G D. C-S-G

219-In general equilibrium of the economy:-
A. Aggregate Demand = Aggregate B. Taxation = Consumption
C. Aggregate Saving = Aggregate Investment D. A and C both

220- Collective National income equals:-
A. C+I+M B. C+S+T C. nominal GDP D. Real GDP

221-GDP at constant prices, calculated according to some base year is called:
A. actual GDP B. real GDP C. zero D. Net GDP

222-This will cause decrease in national income:-
A. rise in exports B. more than APC C. increase in taxes D. band c of above

223-Equilibrium of national income will be when:-
A. Saving > Investment B. C+T-G C. C-T+G D. S = I

224-If and national income Rs 400 billion, national consumption will be equal to:-
A. 400\times0.75 B. 400+0.75 C. 400 +0.75 D. 400-0.75

225-Which does not show equilibrium of national income
A. consumption = income B. saving = investment C. C+I+G = C+S+T D. AD = AS

226-This will cause an increase in national income
A. rise in exports B. rise in imports C. fall in consumer spending D. increase in saving

227-If C 200 and I= 40 then Y will equal:-
A. 800 B. 160 C. 240 D. A and B both

228-Purchasing power of money during deflation is:
A. reduced B. increased C. constant D. Zero

229-Velocity of circulation of money means the number of times a unit of money
A. changes hands daily B. changes hands monthly
C. changes hands annually D. changes purchasing power

230-The equation of exchange PT = MV was given by.
A. Irving Fisher B. Prof. Crowther C. Kuznet D. Keynes

231-Value of money in Pakistan is determined by.
A. Govt. of Pakistan B. State Bank C. general price level D. value of dollar

232-When value of money falls, they benefit more
A. farmers B. industrialist C. lenders D. debtors

233-When the nation's money supply is Rs. 1200 billion and GDP is Rs. 4800 billion, velocity of circulation money is
A. 0.25 B. 4 C. 0.4 D. 4 billion rupees

234-Which one is equation of exchange
A. PT = MV B. PV x MT C. PM + TV D. None

235-If quantity of money is doubled, and then according to Quantity Theory, value of money is
A. remains constant B. doubled C. Half None of these

236-Inflation can be controlled by applying
A. Monetary and fiscal policies
C. Fiscal and commercial policies
B. Monetary and labour policy
D. all of the above

237-Inflation is a situation when
A. Prices of some goods rise
C. Prices double every year
B. General Price level rises continuously
D. prices rise and fall alternately

238-Under normal circumstances, the velocity of circulation of money in a country is
A. negative B. uncountable C. zero D. less than 10

239-In Pakistan, in June 2023, money supply was about
A. Rs. 7000 million B. Rs. 7000 billion C. Rs. 7000 trillion D. None of these

240-Banks discount it and advance loans
A. draft B. bill of exchange C. pay order D. gold

241-Paper money is called fiat money because
A. It is issued with authority of government
B. it is convertible into gold
C. it can be easily printed
D. it is light weight

242-According to Keynes, demand for money is affected by
A. income B. rate of interest C. literacy rate D. a and b of above

243-During inflation
A. lenders lose, borrowers gain to
C. borrowers and lenders both lose
B. borrowers lose, lenders gain
D. all sections of the society gain

244-The quantity demanded of money rises.
A. as the interest rises
C. as the supply of money falls
B. as the interest rate falls
D. as the number if banks rises

245-Which people are most likely to gain during inflation?
A. Those living on pension
C. Those who are repaying borrowed money
B. Those living on their savings
D. Those who have lent money

246-If quantity of money increases 100%, other things remaining constant, value of money changes by
A. increases by 100%
C. decreases by 200%
B. decreases by 100%
D. does not change

247-For the economy, prices are beneficial
A. falling slowly B. rising slowly C. rising fast D. falling fast

248-According to Keynes, people demand money for purposes (motives)
A. 1 B. 2 C. 3 D. 4

249-Value of money means
A. gold purchased by money
C. importance of money
B. general purchasing power of money
D. demand for money

250-Value of money and supply of money are related
A. inversely B. directly C. positively D. a and b of above

251-They are NOT much affected by rising prices
A. salaried persons B. businessmen C. debtors D. importers

252-Inflation
A. makes distribution of national income better
B. makes distribution of income unequal
C. has no effect on distribution of income
D. affects only industrial sector

253-It is assumption of quantity theory of money
A. quantity of traded goods increases
C. govt. imposes new taxes
B. velocity of circulation of money constant
D. a and b of above

254-If we put this letter in the blank space, we get quantity theory of money PY = M……
A. S B. T C. V D. A

255-In the equation PY = MV showing quantity theory of money, Y represents
A. year of measurement of national income
B. national income
C. tax revenue of the govt.
D. a and c of above

255-Velocity of circulation of money means
A. total demand for money
C. total supply of money
B. annual increase in currency notes
D. number of times a unit of money changes hands

256-Profit and loss-sharing is basis of finance under this system
A. Islamic B. Capitalistic C. Socialistic D. none of these

257-Cash cannot be directly obtained from a bank against
A. cross cheque B. order cheque C. bearer cheque D. traveller cheque

258-Commercial banks accept deposits and provide
A. money B. cheque C. loans D. bill of exchange

259-The banks can give loans
A. unlimited B. equal to deposits C. less than deposits D. more than deposits

260-Banks discount it and advance loans
A. Demand draft B. bill of exchange C. pay order D. None of these

261-Banks prepare their balance sheet
A. weekly B. monthly D. quarterly D. annually

262-Balance sheet of a bank has two parts
A. supply and demand for deposits
B. supply and demand of advances
C. assets and liabilities
D. Cash reserves and loans

263-When banks prepare their balance sheets, they show the money lent in
A. liabilities B. assets C. both assets and liabilities D. none of these

264-The power of a bank to create credit is affected by
A. the cash reserve requirement
C. the number of branches of a bank
B. bank notes
D. money

265-Demand deposits are
A. considered as near money
B. being traded frequently
C. the amount of cash available
D. a and b of above

266-An asset is liquid when it is
D. legal money
C. is money or easily converted into money
B. earning a good rate of return
D. all of the above

267-A bank has Rs.5 million in cash. The minimum reserve ratio is 20%. What is maximum potential increase in total deposits.
A. 0 B. 5 m C. 10 m D. 25 m

268-The following is not a bank liability in balance sheet
A. demand deposit B. time deposit C. saving deposit D. loans

269-When a commercial bank creates credit, it immediately rises
A. its assets B. its liabilities C. money supply D. Money Demand

270-Which is the source of interest for a bank
A. making loans B. advances C. bills discounted D. investments

271-Commercial banks are able to create money by
A. printing money B. making loans C. advances D. a and c of above

272-Which is NOT a function of a commercial bank
A. acting as a govt. banker C. moral persuasion
B. selling government bonds D. fixing the exchange rate

273-Which is a function of a commercial bank
A. acting as a govt. banker D. making loans
B. selling government bonds D. all

274-When a commercial bank creates credit, its immediate effect is that it raises
A. the exchange rate B. the interest rate
C. the real national income D. the money supply

275-Total number of bank branches in Pakistan is
A. more than 5000 but less than 10,000 B. more than 10,000 but less than 15,000
C. more than 15,000 but less than 20,000 D. more than 20,000 but less than 25,000

276-Demand deposits mean
A. saving account B. profit loss account C. Chequeable deposits D. time deposits

277-Which is considered liability by a bank
A. loans B. bank's building and equipment C. time deposit D. securities

278-Demand deposits are money because
A. they are backed by gold C. they can be used to make payments
B. they are assets of banks D. all of the above

279-Credit money is created by
A. central bank B. commercial bank C. government D. all of the above

280-Credit money is created by
A. exchange bank B. commercial bank C. finance companies D. none of the above

281-Select the correct statement
A. credit money is better than legal money B. legal money is better than credit money
C. all money is evil D. both legal money and credit money are equally useful

282-Select the correct statement
A. central bank creates legal money B. commercial bank create paper money
C. finance companies create fake money D. none of the above is true

283-Select the correct statement
A. central bank creates convertible money B. commercial bank create convertible money
C. govt. creates paper money D. none of the above is true

284-Which type of cheque is safer for transfer of money?
A. bearer cheque B. traveler cheque C. order cheque D. cross cheque

285-Which type of cheque is least safe for transfer of money
A. bearer cheque B. traveler cheque C. order cheque D. cross cheque

286-If a person is more interested to earn income; he should deposit his money in
A. demand deposits B. time deposit C. saving account D. profit-loss account

287-If a person is interested that his amount should be readily available he should deposit his money in as soon as he needs,
A. demand deposits B. time deposit C. profit-loss account D. saving account

288-Which type of card is not issued by commercial banks
A. credit card B. debit card C. ATM card D. Green card

289-Which type of card is not issued by central banks
A. credit card B. debit card C. ATM card D. none is issued by it

290-Market rate of interest is
A. always higher than discount rate
B. always lower than discount rate
C. both are equal
D. may be higher or lower than discount rate

291-Most important source of income of commercial banks is
A. interest charged on loans
B. profit earned on investments
C. income from collecting utility bills
D. income from reserves at central bank

292-Select the true statement
A. the central bank charges high interest rate on loans to commercial banks
B. the central bank does not charge interest on loans to banks
C. the central bank does not advance loans to commercial banks
D. none is the true

293-If you borrow from a bank the amount which the bank charges is called
A. discount rate B. interest rate C. bank rate D. market rate

294-The rate charged by a central bank on loans is called
B. discount rate B. lending rate C. Borrowing rate D. Tax rate

295-Changes in discount rate are brought about by State Bank to
A. control inflation
B. increase investment activity
C. increase earnings of the bank
D. a and b of the above

296-Short term loans can be obtained in
A. stock market B. money market C. capital market D. all the markets

297-Long term loans can be obtained in
A. stock market B. money market C. capital market D. exchange market

298-Functions of commercial bank are
A. issue currency, create deposit money and provide loans
B. accept deposit, create deposit money and provide loans
C. accept deposit, provide loans, and export goods
D. accept deposit, provide loans and control foreign exchange

299-Discount rate of State Bank of Pakistan is
A. less than 5%
B. more than 5% but not more than 15%
C. more than 15% but not more than 25%
D. more than 25%

300-State Bank of Pakistan was established in
A. 1948 B. 1950 C. 1952 D. 1954

301-10-rupee note is issued by
A. National Bank B. State Bank C. Govt. of Pakistan D. Governor State Bank

302-Acting as lender of last resort, a central bank lends to:
A. money markets B. stock exchange C. commercial banks D. does not lend

303-Which statement is true of the relationship between bond prices and bond yields?
A. They vary inversely.
B. They vary directly
C. They are not related
D. They vary proportionately

304-Which is the most widely used tool of monetary policy
C. discount rate A. clearing house
B. open-market operations D. Issuing of notes

305-They are related in long run but not in the short run
A. Prices and Money supply B. Real GDP and Nominal GDP
C. Govt. Exp and Govt. Income D. None of These

306-When the State Bank wants to decrease money supply in the country, it
A. buys govt. securities in stock market B. sells govt. securities in stock market
C. lowers discount rate D. Higher discount rate

307-Monetary policy consists of
A. changing total money supply B. printing of money
C. buying and selling govt. securities D. buying and selling foreign exchange

308-Open Market Operations is
A. buying and selling bills of exchange B. purchases govt. securities
C. directs banks to advance more loans C. Buying and selling of Govt. Securities

309-Central bank's rate of lending to commercial banks is called
A. discount rate B. Bank Rate C. money rate D. a and b of above

310-When a central bank wants to increase money supply in circulation.
A. issue notes B. give loans to businessmen C. Decrease discount rate D. open market operations

311-State Bank of Pakistan is run by:
A. Board of directors B. Board of managers C. Board of governors D. Board of bankers

312-Credit money is controlled by
A. government B. commercial banks C. SBP D. NBP

313-Every country establishes central bank to
B. supervise commercial banks C. change in reserve ratio
D. issue notes D. To control money market

314-It is NOT an instrument of monetary policy
A. RRR B. OMO C. Discount Rate D. Market Forces

315-It creates credit
A. higher discount rate B. lowers discount rate
C. issue notes D. a and b of above

316-Which is a function of monetary policy
A. Regulate commercial bank B. government measure to increase employment
C. increase in govt. expenditure D. Regulate stock exchange

317-In order to reduce consumer borrowing this is raised
A. reduce govt. expenditure C. increase in interest rate
B. commercial bank deposits D. reducing interest rate

318-Which organization controls the banking system in most countries?
A. central bank B. commercial bank C. investment bank D. World Bank

319-Treasury bill is
A. a govt. tax bill C. used by central bank to get short term loans
B. used for getting long term loans D. not a credit instrument

320-Out of the following the only recognized legal tender is
A. cheque B. currency notes and coins C. notes and cheques D. credit card

321-Monetary policy has the objective:-

A. decrease unemployment rate
C. decrease inflation rate
B. To stable prices
D. Macroeconomic stability

322-State Bank of Pakistan has departments:-
A. issue and banking departments
C. research and loan departments
B. Monetary policy department
D. All of the above

323-Central bank's rate of lending to commercial banks is called:-
A. interest rate B. discount rate C. money rate D. inflation rate

324-When a central bank wants to increase money supply in the country it:-
A. purchases govt. securities
B. lowers discount rate
C. lowers cash-deposit ratio (liquidity ratio)
D. all of the above

325-Every country establishes central bank to:-
A. Issue currency
C. to establish commercial banks
B. To regulate Banking System
D. b and c of the above

326-Govt. Securities are used for:-
A. getting short term loans by central bank
C. getting long term loans
B. to prepare government budget
D. all of the of above

327-The money called "token money" includes:-
A. currency notes and credit cards
C. currency notes and cheques
B. currency notes and bank deposits
D. currency notes and coins

328-Open market operations refer to:-
A. buying and selling of foreign currencies
B. buying and selling govt. securities
C. buying and selling of goods in free market
D. to keep banks open 24 hours on seven days

329-A bank gets a new deposit of 10 million, the total If SLR (statutory liquidity ratio) is increase in its deposits can rise up to 20% and net worth
A. 20 million B. 50 million C. 100 million D. 200 million

330-State Bank policy of regulating interest rate is called:-
A. banking policy B. fiscal policy C. monetary policy D. commercial policy

331-Taxes are levied to
A. penalize people
B. provide direct benefits to tax payers
C. provide general benefits for the people
D. to accumulate funds

332-Whom of the following propounded principles of taxation;
A. Keynes B. Marshall C. Adam Smith. D. Al Ghazali

333-Taxes on commodities are
A. direct taxes B. indirect taxes C. progressive taxes D. proportional taxes

334-Govt. prepares its budget
A. weekly B. monthly C. quarterly D. annually

335-One of the following is NOT a feature of private finance
A. balancing of income and expenditure
B. secrecy
C. saving some part of income
D. publicity

336-One of the following is NOT a feature of public finance
A. secrecy
B. publicity
C. efforts to balance income and expenditure
D. taking steps to increase income

337-It is direct tax
A. excise tax B. sales tax C. income tax D. custom duty

338-These are heads of expenditure of the government EXCEPT:
A. provide social services B. defence
C. improve transport and communication D. provide household goods

339-The most important source of income of a government is
A. foreign loans B. Taxes C. Non-Taxes Revenue D. printing of new money

340-Progressive taxes
A. increase government revenue is penalty for rich people C. a and b of above
B. Decrease govt. revenue to favor the poor class D. bring equality in distribution of incomes

341-These are principles of taxation
A. principle of equality B. principle of certainty C. principle of secrecy D. a and b of above

342-In Pakistan, taxes are levied by
A. Prime minister of Pakistan B. President of Pakistan
C. Federal cabinet of ministers D. National assembly

343-Which of the following tax is best example of ability to pay principle of taxation
A. excise tax on cigarettes C. proportional sales tax
B. highway toll tax D. personal income tax

344-Govt. taxation and spending policies are called
A. monetary policy B. fiscal policy C. Trade policy D. foreign policy

345-Govt. budget is balanced when
A. govt. expenditure outstrips tax receipts B. govt. tax receipts outstrips expenditure
C. government expenditure equals tax revenue D. None of the above

346-Government finance is called
A. national finance B. public finance C. private finance D. a and b of above

347-How the government can meet its expenditure.
A. by taxing people B. by borrowing from banks and other governments
C. by printing new money D. by all the three methods

348-The government can collect funds from
A. taxes B. fees C. prices of public goods D. all the three

349-A direct tax is that which
A. is paid by the person on whom it is levied B. can be directly deposited in the banks
C. cannot be evaded D. heavy burden on the tax payers

350-In Pakistan, government budget is prepared by
A. President of Pakistan A. National assembly
C. Ministry of Finance D. State Bank of Pakistan

351-In Pakistan Income tax is
A. progressive tax B. proportional C. proportional tax D. fixed tax

352-Which tax better conforms to the principle of equality in taxation
A. progressive tax B. regressive tax of taxation C. direct taxes D. a and c of above

353-Which one is NOT a principle of taxation
A. principle of equality B. principle of morality
C. principle of certainty D. principle of diversity

354-A country has proportional system of taxation. A person pays Rs 500 tax when his income is Rs-5000, how much tax he will pay if his earning rises to Rs-8000
A. 200 B. 400 C.600 D. 800

355-Which source a private company cannot use?
A. a bank loan of B. tax
C. selling new shares in stock exchange D. None of these

356-Net taxes are
A. domestic taxes minus foreign taxes B. total taxes minus govt. transfer payments
C. total taxes minus govt. purchases D. business taxes minus personal taxes

357-Which is NOT counted as public expenditure?
A. investment spending by public companies B. interest payment on national debt.
C. defence expenditure D. subsidy given to local city bus service

358-The least important source of income of a government is
A. foreign loans B. sprinting of new money
C. sale of government property D. None of these

359-Progressive taxes
A. are harmful for the economy C. compel rich people to be honest
B. bring income equality D. None of these

360-This is a principle of taxation
A. principle of equality C. principle of secrecy
B. principle of honesty D. principle of penalty

361-This is NOT principle of taxation
A. principle of equality C. principle of secrecy
B. Principle of PRODUCTIVITY D. principle of DIVERSITY

362-In Pakistan, the authority to levy taxes lies with
A. people of Pakistan C. Tax department
B. Federal Cabinet D. PRA

363-This tax is a good example of 'ability to pay' principle of taxes
A. bring equality in distribution of incomes C. decrease evasion of taxes
B. principle of adequacy D. principle of equality

364-Govt. taxing and spending policies are called
A. fiscal policy B. public policy C. monetary policy D. economic policy

365-Govt. budget is balanced when
A. govt. expenditure is kept to the minimum B. govt. income consists of both tax and non-tax income.
C. government expenditure equals tax revenue D. government expenditure equals tax revenue

366-Government finance is called
A. national finance B. public finance C. official finance D. final finance

367-The government can meet its expenditure by
A. taxing people C. asking people to decrease their expenditure
B. printing new money D. a and b of above

368-It is an indirect tax
A. property tax B. income tax C. import tax D. all are indirect taxes

369-Mansoor Software Corporation imported computers and paid import tax. Burden of tax will be on
A. importer B. wholesaler C. final buyer D. retailer

370-If a person who is tax-payer can shift the burden of tax to someone else, the tax is called.
A. indirect tax B. shift able tax C. transfer taxes D. undesirable tax

371-The federal budget of Pakistan includes
A. direct taxes and indirect taxes C. simple and difficult taxes
B. proportional and progressive taxes D. a and b of above

372-To bring equitable distribution of income in the country, taxes should be
A. direct B. indirect C. Progressive D. a and c both

373-These are principles of taxation
A. equality and certainty C. flexibility and durability
C. Economy and productivity D. a and c both

374-It is better way to finance the govt. budget
A. by taxing people C. by borrowing from banks
C. By taxing all sectors of economy D. a and c both

375-Income tax in Pakistan is
A. direct and progressive C. indirect and progressive
C. proportional D. None of these

376-In Pakistan, income tax is collected by
A. local govt. B. provincial govt. C. federal govt. D. all govt.

377-Sales tax in Pakistan is
A. direct and progressive C. indirect and progressive
B. direct and proportional D. indirect and proportional

378-It is easy and convenient to pay
A. direct tax B. Regressive C. indirect tax D. progressive tax

379-It is difficult to evade
A. direct tax B. direct and proportional C. indirect and proportional D. None of These

380-It is a source of revenue for the local government
A. corporation tax B. value added tax C. excise tax D. property tax

381-Federal government transfers to provinces as their share in tax collection
A. less than 40% C. more than 60%
B. more than 40% but less than 60% D. more than 80%

382-Which tax is not shared between central and provincial governments
A. excise tax B. sales tax C. custom duty D. property tax

383-Which is provincial tax in Pakistan
A. excise tax B. sales tax C. import duty D. token tax of vehicles

384-Which of the following is international trade
A. Trade between provinces C. Trade between countries
B. Trade between regions D. Trade between continents

385-Theory of comparative advantage was presented by:
B. Ricardo A. Adam Smith C. Hicks D. Marshall

386-Which is NOT an advantage of international trade?
A. dependence on foreign countries C. export of surplus production
B. Help in famine and drought D. None of these

387-If Japan and Pakistan start free trade, international trade
A. no effect B. increase C. decrease D. Zero sum game

388-Trade between two countries can be useful if cost ratios of goods are
A. equal B. different D. None of these

389-Modern theory of international trade is based on the views of:
A. Robbins and Ricardo C. Heckcsher and Ohlin
B. Adam Smith and Marshall D. Saleem and Kareem T

390-Foreign trade creates among countries:
A. conflicts B. cooperation C. hatred D. none of these

391-Net exports equal
A. exports x imports B. exports+ imports C. exports - imports D. exports of services only

392-A tariff:
A. increases the volume of trade C. has no effect on volume of trade
B. reduces the volume of trade D. a and c of above

393-A tariff is
A. a restriction on the number of export firm B. limit on the amount of imported goods
C. tax on imports D. b and c of above

394-Dumping refers to
A. buying goods at low prices abroad and selling at higher prices locally
B. expensive goods selling for low prices
C. reducing tariffs
D. sale of goods abroad at low a price, below their cost and price in home market

395-According to Hecksher's and Ohlin basic cause of international trade is.
A. difference in factor endowments B. difference in markets
C. difference in political systems D. difference in ideology

396-All are advantages of foreign trade except
A. cheaper goods B. people get foreign exchange
C. nations compete D. optimum utilization of country's resources

397-Two countries can gain from foreign trade if
A. trade restrictions B. cost ratios are different
C. price ratios are different D. a and c of above

398-International trade and domestic trade differ because of
A. immobility of factors B. Restriction on International Trade
C. different government policies D. all of the above

399-Terms of trade of developing countries are not in their favor because
A. they export primary goods C. they export few goods
C. reduced real living standard D. a and c both

400-Term of trade of a country show
A. ratio of goods exported and services imported B. ratio of services exported and goods imported
C. ratio of prices of exports and imports D. None of these

401-In a free trade world
A. in which no restrictions B. tariff and non-tariff decreased
C. increased productive efficiency D. increased productive efficiency

402-Generally balance of payment of developing countries is unfavorable because
A. They import value added goods B. They export value added goods
C. They import more and export less D. a and c of the above

403-What would encourage trade between two countries
A. decreased efficiency B. ratio of import duties
C. Terms of Trade D. a and c of the above

404-International trade will lead to
A. different tax system B. frontier checks C. national currencies D. different trade policy

405-Govt. policy about exports and imports is called a
A. commercial policy B. finance policy C. monetary policy D. Fiscal Policy

406-"Terms of trade" between two countries refer to a ratio of
A. export prices to import prices
B. countries currency values
C. reduced tariffs
D. exports to imports

407- What would discourage trade between two countries?
A. Strict quality control
B. different tax system
C. Increased tariffs
D. a and c both

408-It is a drawback of protection
A. consumers have to pay higher prices
C. quality of goods may be affected
B. producers get higher profits
D. all of the above

409-It is drawback of free trade
A. prices of local goods rise
B. Government loses income from custom duties
C. national resources are underutilized
D. a and b of the above

410-Gold standard means
A. currency must be made of gold
C. currency is freely convertible into gold
B. paper currency is not used
D. a and c of above

411-Terms of trade of a country
A. mean agreement between trading countries
B. is another name of exchange ratio of two currencies
C. show the ratio between total export earnings and import bill of a country
D. are determined by the price index of export and import goods

412-Pakistan's terms of trade
A. have risen over past few years
C. always remain above 100
B. have fallen over past few years
D. are determined by federal govt.

413-Other currencies has fallen because
A. our imports are more than exports
C. Pakistan does not produce gold
B. our total exports are more than imports
D. None of these

414-Exchange value of Pak rupee against exports is smaller
A. our total imports
C. exports are more than imports
B. Our total import Bill
D. A and B of the above

415-This is an advantage of foreign trade
A. we can preserve our natural resources
B. new technology comes to the country
C. people need not go abroad
D. we can get foreign currencies

416-This is NOT an advantage of foreign trade
A. we can get gold from abroad
B. new technology comes to the country.
C. we can import goods which are in short supply in Pakistan
D. we can make best use of natural resources

417-Foreign trade
A. increases employment opportunities
B. increases international mobility of labour
C. increases competition
D. all of these options

418-Foreign trade
A. benefits developed countries
B. benefits democratic countries
C. benefits underdeveloped countries met
D. benefits all countries

419-Foreign trade has the advantage
A. trading countries get foreign exchange
B. can import machinery and technology
C. can Export machinery
D. all of the above

420-In foreign trade, Protection policy means
A. restrictions on imports
B. can import limited raw materials
C. restrictions on exports
D. b and c of above

421-If a country decreases the external value of its currency, it will affect
A. volume of exports B. volume of imports C. general price level D. all of the above

422-The theory explaining trade between two countries is called
A. comparative advantage B. comparative bargain
C. comparative trade D. comparative returns

423- The trade between two provinces is called
A. comparative disadvantage trade B. domestic trade
C. comparative trade D. none of the above

424- Trade between two countries takes place when
A. cost ratios of commodities are equal B. cost ratio of commodities are not equal
C. cost ratios of commodities are high D. cost ratios of commodities are low

425-David Ricardo presented the theory of international trade called
A. theory of absolute advantage B. theory of total advantage
C. theory of equal advantage D. theory of comparative advantage

426-Rich countries have deficit in their balance of payments
A. sometimes B. never C. always D. alternate years

427-Balance of payments means
A. balance of receipts and payments of all banks B. balance of receipts and payments of State Bank
C. balance of govt. receipts and payments
D. balance of receipts and payments of a country with the rest of the world

428-Pakistan is not a member of
A. IMF B. ECO C. OPEC D. World Bank

429-International trade is possible primarily through:
A. generalization in production of all goods B. specialization in production of one good
C. specialization in production of a few goods D. all of the above

430-Pakistan imports some goods and exports other goods primarily because of
A. free goods B. comparative advantage C. unemployment D. Absolute advantage

431. A country that does not trade with other countries is called
A. developed economy B. closed economy C. independent economy D. none of above

432. To increase exports, Pakistan must
A. improve quality of goods B. decrease the value of its currency
C. import must be controlled D. a and b of the above

433. Policy of Protection in trade
A. facilitates trade B. protects foreign producers
C. protects local producers D. protects exporters

434. Balance of payments of a country includes
A. current account B. Capital Account C. a and b both D. savings and investment account

435. Balance of payments of a country not includes
A. current account B. Capital Account C. Forex Reserves D. savings and investment account

436. Final balance of payments of a country is
A. always balanced B. Always deficit C. always surplus D. D. fluctuates

437. Balance of Payments of a country has parts:
A. monetary account B. capital receipts and payments
C. Record of Imports and Exports D. b and c of above

438. In which system exchange rate for currencies is determined by supply and demand
A. fixed exchange rate B. floating exchange rate C. Managed Floating D. None of these

439. If GNP of Pakistan rises, it will encourage
A. Imports B. Exports C. exports and imports both D. None of these

440. A country that does not trade with other countries is called an economy
A. open B. closed C. independent D. None of these

441. Japanese import more goods from Pakistan (other things remain same)
A. Japan's BOP will deteriorate B. our BOP will deteriorate
C. 'a' and 'b' of above D. None of these

442. If our balance of payments will improve. Pakistan follows the policy of
A. fixed exchange rate B. controlled exchange rate
C. Managed floating rate D. All of these rates

443. Invisible items in balance of payments include
A. foreign remittances B. income from tourists C. Internet charges D. all the three

444. It helps countries to meet deficit in balance of payments
A. IMF B. UNO C. WTO D. World Bank

445. The balance of payments of a country means
A. balance in income and expenditure of govt. B. balance in demand and supply of money
C. balance in export and import earnings of a country D. The annual account of foreign trade

446. Pakistan' exports are part of our GDP in 2025
A.15% B. 25% C. 5% D. 11%

447. What would cause a country's exchange rate to fall?
A. an increased demand for its exports B. an increased inflow of capital
C. increased demand for its imports D. none of the of the above

448. Which of the following must always balance
A. balance of visible trade B. balance of invisible trade
C. balance on the current account D. balance of payments against dollar

449. What will be expected result if the value of rupee falls?
A. price of Pakistani goods in USA will rise B. price of Pakistani goods in Pakistan will fall
C. price of American goods in USA will fall D. price of American goods in Pakistan will rise

450. If TOYOTA Company, establishes a factory in Pakistan, this will be recorded in balance of payments in the section.
A. capital account B. visible balance C. invisible balance D. Current Account

451. If CDA (Capital Development Authority Islamabad) gets a loan from World Bank for roads, it will be recorded in the balance of payments in the section
A. capital account B. visible balance C. invisible balance D. Official financing

452. Which of the following compares average price of exports to average price of imports?
A. balance of payments C. exchange rate B. balance of trade D. terms of trade

453. IMF represents
A. International Monetary Fund B. International Money Forum
C. International Money Flow D. International Monetary Finance

454. Flexible exchange rate system has the advantage
A. automatic adjustment of balance of payments B. easy to borrow from World Bank
C. encourages exports D. none of the above

455. Fixed exchange rate system has the advantage
A. automatic adjustment of balance of payments B. greater govt. control over foreign trade
C. discourages unnecessary speculation about future trade deals D. Stability in prices

456. Export of goods in foreign trade is called
A. visible goods B. invisible goods C. Non-real goods D. Basic goods

457. Export of services in foreign trade in called
A. visible goods B. invisible goods C. basic goods D. real goods

458. Services are recorded in this part of balance of payments account
A. current account B. Visible exports include C. remittance D. Capital Account

459. Visible imports include in this account
A. remittance B. capital account C. govt. account D. official account

459. Visible imports include
A. computer hardware B. computer software C. machinery D. a and c both

460. If balance of payments of country is in deficit,
A. current account will be in deficit B. country can increase money supply to end deficit
C. the country can borrow from abroad D. a and c of above

461. The balance of payments account of a country includes
A. official transfer of foreign exchange B. smuggling transactions
C. loans and aid D. None of these

462. Foreign exchange reserves increase if
A. govt. increases taxes B. smuggling transactions increases
B. exports increase imports remain the same D. both a and c of the above

463. The receipts and payments for goods exported and imported are counted in
A. trade account B. capital account C. current account D. monetary account

464. IMF has given loan to Pakistan. It will improve Pakistan's
A. current account B. capital account
C. overall balance of payments D. 'b' and 'c' of above

465. IMF gives loans
A. to fill gap in balance of payments B. to increase inflation
C. to decrease inflation D. to fill gap in government budget

466. If CDA (Capital Development Authority Islamabad) gets a loan from World Bank for roads, it will be recorded in the balance of payments in section.
A. capital account B. visible balance C. invisible balance D. official financing

467. Current Pakistan's saving rate to GDP in 2025 is
A. 5% B. 17% C. 25% D. 13 %

468. Pakistan's per capita income in USD
A. 1647 $ B.2200 $ C. 2527 $ D. 3000 $

469. Which is the largest sector of Pakistan economy is
A. agriculture B. industry C. Services D. Transport

470. In the world, population-wise Pakistan is
A. 3rd B. 4th C. 5th D. 6th

471. Population growth rate in Pakistan is
A. 2% B. 3.5% C. 2.9 % D. 7%

472. Contribution of industrial sector in Pakistan's GDP is
A. 18% B. 13.6% C. 23.5% D. 31%

473. According to Pakistan Economic Survey in FY 2024, what is the share of Agriculture in GDP?
A. 38% B. 53% C. 24% D. 31.54%

474. Which one is per capita income?
A. Per person income B. Per industrial unit income.
C. Per worker income D. Per family income

475. Base year of Pakistan for national accounting in 2024 is
A. 1979-1980 B. 1989-1990 C. 2015-2016 D. 2021-2022

476. Average growth rate of Pakistan's national income in past five years have been
A. 6% B. 12% C. 5% D. 2.7%

477. Which of the following is an example of primary production
A. production of a computer B. housewife bakes a cake
C. production of weapons D. farmer growing wheat

478. Which is most likely to cause a more even distribution of income
A. an increase in indirect taxes B. an increase in managers' salaries
C. an increase in direct taxes D. None of these

479. The contribution of services sector in our GDP in FY- 2024 is
A. 9% B. 19% C. 57.7% D. 36.7%

480. The percentage of our labour force working in agriculture is
A. 14% B. 24% C. 45% D. 36%

481. The government spends on education percentage of GDP in FY-2024
A. 2.5% B. 5.5% C. 1.8% D. 10.5%

482. The lower literacy rate in females is due to
A. lack of access to educational institutions B. parental ignorance
C. discriminatory social norms D. all of the above

483. Life expectancy in Pakistan is (in years)
A. 56 B. 46 C.67 D. 75

484. Public spending on health is
A. less than 1% B. 1.4% C. 8% D. 7.4%

485. Infant mortality rate in Pakistan is
A. 65 B. 45 C. 51 D. 78

486. Life expectancy in Pakistan is
A. less than 60 years B. between 70 and 80 years
C. between 60 and 70 years D. more than 80 years

487. Environment includes
A. ecosystems B. wildlife C. forests D. all of the above

488. Environment deterioration is occurring because of
A. lack of education B. population pressure
C. poor conservation planning D. all of the above

489. Forest cover in Pakistan is
A. 2% B. 4% C. 6% D. 8%

490. Forests in Pakistan are decreasing because
A. deforestation B. afforestation C. lack of afforestation D. ‘a’ and ‘c’ both

491. Expenditure on DEFENCE as percentage of GDP in FY-2024 is
A. less than 4% C. more than 8 but less than 12%
B. more than 4% but less than 8% D. more than 15%

492. Many people do not send their children to schools because of
A. their own illiteracy B. harsh teachers C. poverty D. all of the above

491. Private sector investment as percentage of GDP of Pakistan.
A. 15.5% B. 34.8% C. 8.7% D. 18.5%

492. People do not care for environment problems because of
A. Lack of education B. lack of responsibility C. high income D. 'a' and 'b' both

493. Literacy rate is lower in females in Pakistan. Why?
A. lower literacy level B. gender disparity C. govt. does not care D. 'a' and 'b' both

494. How many stock exchanges there are in Pakistan?
A. 1 B. 2 C. 3 D. 4

495. Pakistan's national income is low because,
A. fast growing population B. lack of natural resources C. low saving rate D. a and c of above

496. The most important factor in economic development is
A. quality of natural resources B. quality of banking system
C. quality of governance D. All of these

497. Which is likely to be higher in a developing country like Pakistan
A. birth rate B. GDP per head C. life expectancy D. net investment per head

498. Economic development
A. is the same as economic growth B. means improvement in lifestyle
C. exists when there is equal distribution of income D. all of the above

499. Economic development is measured on the basis of
A. increase in nominal GNP C. increase in personal incomes
B. increase in real GNP D. increase in government revenue

500. Select the combination which is most likely to be found in developing countries
A. low birth rate high gross domestic product
B. low death rate and high gross domestic product
C. high birth rate and low GDP per head
D. low infant mortality rate and high gross domestic product

501. Rate of economic development in Pakistan will increase if
A. saving rate increases B. imports increase C. exports increase D. 'a' and 'c' both

502. Rate of economic development will fall if
A. money supply increases B. government enterprises are privatized
C. smaller percentage of national income is invested D. banks increase loans

503. It is a measure of economic development
A. increase in national and per capita income C. increase in exports and imports
B. increase in real GDP per capita D. increase in population growth

504. It is not a factor of economic development
A. money B. land C. economic planning D. Profiteering

505. Measurement of economic development is based on
A. real income B. future income C. monetary income D. Nominal income

506. Pakistan needs
A. educational planning B. increase in working population
C. Capital and technology D. a and c of above

507. The highest govt. body for economic planning in Pakistan is
A. Planning Council B. Planning Board C. Planning Commission D. Planning Department

508. We can increase rate of economic growth
A. by increasing population B. by economic planning and governance
C. by decreasing capital formation D. 'b' and 'c' both

509. When a country develops
A. per capita income rises B. population increases
C. urbanization rises. D. living standard increases

510. Economic planning in Pakistan started
A. during 1950s B. during 1960s C. during 1970s D. during 1980s

511. When economic development takes place
A. market imperfections increase B. population increases
C. investment increases D. Population decrease

512. Pakistan started its first five-year plan in
A. 1947 B. 1950 C. 1955 D. 1960

513. Contribution of agriculture in Pakistan's national income is,
A. 21% B. 31% C. 41% D.51%

514. Our exports mainly consist of
A. cotton products B. machinery C. sports goods D. a and c of above

515. Pakistan is an economy.
A. developing B. developed C. fast growing economy D. a and c of above

516. Contribution of industrial sector in Pakistan economy in FY-2024 was
A. 29% B. 19.54% C. 9.2% D. 20.76%

517. The largest sector of Pakistan economy is
A. Transport B. Agriculture C. Industry D. Trade

518. Size of Pakistan's 8th five year plan was in rupees:
A. 700 billion B. 1700 billion C. 2700 billion D. 3700 billion

519. Pakistan produces of its oil requirements
A. 8% B. 18% C. 28% D. 38%

520. Investment rate in Pakistan in 2024 is around
A. 20% 13.14% C. 15.39% D. 44.6%

521. Which of the following is NOT a characteristic of underdeveloped countries.
A. low per capita income B. low growth rate of GDP
C. political instability D. low population growth

522. Unemployment rate in Pakistan in 2024 is
A. less than 5% B. between 5% and 20% C. between 20% and 30% D. more than 30%

523. Working population in Pakistan is in the ratio of total population
A. ½ B. 1/3 C. ¼ D. 1/5

524. This is a cause of unemployment
A. foreign loans B. fast population growth
C. huge expenditure of government D. high literacy rate

525. Productivity of labor is measured by
A. measuring GDP B. production per day C. production per hour D. Total working hours

526. Various kinds of unemployment are
A. seasonal and circular B. seasonal C. structural D. structural and social

527. These steps will raise productivity of labour
A. high wages, longer hours of work B. high wages, shorter hours of work
C. high wages, specialization D. b and c of above

528. By 2050, Pakistan's total population will be reached approximately
A. 27 crores B. 32 crores C. 35 crores D. 38 crores

529. By 2025, Pakistan's total population is
A. 160 million B. 180 million C. 200 million D. 250 million

530. The nature of unemployment due to mechanization of agriculture is
A. seasonal and structural B. frictional C. permanent D. seasonal

531. Mobility of labour
A. increases efficiency of labour B. decreases efficiency of labour
C. does not affect efficiency of labour D. none of the above

532. Rate of growth of population in Pakistan is
A. increasing B. decreasing C. constant D. none of these

533. Mobility of labour depends upon
A. age of the worker B. education of the worker
C. attitude of the worker D. all of the above

534. Latest Population census was held in Pakistan in
A. 2010 B. 2021 C. 2022 D. 2023

535. According to Malthus, population increases by progression of kind
A. systematic B. arithmetic C. geometric D. all of the above

536. Productivity of labour can be increased by
A. raising minimum wages B. raising average wages
C. increasing skills of workers D. a and c of above

537. All labour is
A. homogeneous B. heterogeneous C. lazy D. intelligent

538. Mobility of labour
A. increases efficiency of labour B. spoils labour
C. increases division of labour D. all of the above

539. Unemployment due to business cycle is
A. seasonal B. structural C. industrial D. cyclical

540. Labour includes
A. the inventor B. an entrepreneur C. the unskilled worker D. all of the above

541. A skilled worker is an example of
A. scarcity B. the innovator C. the labour input D. a and c above

542. The labour force participation rate is
A. proportion of working population B. proportion of population working or seeking work
C. proportion of skilled workers in the population D. Female working population

543. Union leaders are in a better position to bargain for higher wages if demand for labour is
A. More elastic B. inelastic C. very large D. less elastic

544. In which form the largest percentage of national income is earned
A. interest income B. proprietor's income C. employees' wages D. rental income

545. Who is unemployed?
A. housewife B. college student
C. a peer who lives on gifts from ‘mureeds’ D. a freshly graduated engineer who is searching for a job

546. Standard of living of workers depends upon their
A. nominal wages B. real wages C. perks and privileges D. b and c of the above

547. Unemployment takes place because of
A. high demand for labour B. more supply of labor
C. average product D. govt. policy

548. Current discount rate of State Bank of Pakistan is
A. less than 5% B. more than 5% but not more than15%
C. more than 25% D. more than 15% but not more than 25%

549.State Bank of Pakistan was established in
A. 1948 B. 1950 C. 1952 D. 1954

550. 10-rupee note is issued by
A. National Bank, B. State Bank, C. Govt. of Pakistan D. Governor of State Bank

551. Acting as lender of last resort, a central bank lends to:
A. money markets B. stock exchange C. commercial market D. does not lend

552. Which statement is true of the relationship between bond prices and its demand?
A. They vary inversely related B. They vary directly
C. They are not related in the short run D. They are related in long run

553. Which is the most widely used tool of monetary policy.
A. clearing hous B. open-market operations C. discount rate D. change in marginal requirement

554. When the State Bank wants to decrease money supply in the country, it
A. buys govt. securities in stock market B. lowers discount rate
C. decreasing taxes C. checking commercial banks

555. Monetary policy consists of
A. interest rate B. changing total money supply
C. discount rate D. All of these

556. State Bank of Pakistan has departments
A. Issue and banking departments B. issue and research departments
C. issue, research and banking D. banking and research department

557. Central bank's rate of lending to commercial banks is called
A. interest rate B. bank rate C. money rate D. control rate

558. When a central bank wants to increase money supply in circulation.
A. purchases govt. securities B. reduce discount rate
C. directs banks to advance more loans D. All of these

559. State Bank of Pakistan is run by:
A. Board of directors B. Board of governors
C. Board of bankers D. Board of managers

560. State Bank was established in 1948 of how much initial reserve?
A. 750 million B. 500 million C. 900 million D. 1250 million

561. Acting as lender of last resort, a central bank lends to:
A. money markets B. stock exchange C. commercial banks D. does not lend

562. When the State Bank wants to decrease money supply in the country, it
A. buys govt. securities in stock market B. lowers discount rate
C. sells govt. securities D. lower marginal requirement

563. Every country establishes central bank to
A. issue notes C. give loans to businessmen C. manage money market D. none of these

564. It is NOT an instrument of monetary policy
A. bank rate B. open market operations C. change in reserve ratio D. issue notes

565. It creates credit
A. central bank B. commercial bank C. government D. businessman

566. Which is a monetary measure to increase employment?
A. increase in govt. expenditure C. increase in interest rate
B. reduce govt. expenditure D. reducing interest rate.

567. In order to reduce consumer borrowing
A. commercial bank decrease interest rate B. commercial bank increase interest rate
C. commercial bank remains interest rate constant D. none of these

568. Treasury bill is used for
A. getting short term loans B. getting long term loan
C. increasing investment C. decreasing investment

569. Out of the following the only recognized legal tender is
A. cheque B. currency notes C. bill of exchange D. pay order

570. Open Market Operations (OMO) is
A. buying and selling bills of exchange B. buying and selling govt. securities
C. buying and selling foreign exchange D. buying and selling shares of companies

571. Pakistan's exports mainly consists of products.
A. semi-manufactured and manufactured goods B. semi-manufactured
C. manufactured goods D. machinery

572. Pakistan's exports mainly consists of products
A. minerals B. Primary goods C. food products D. services

573. Select the correct statement
A. Pakistan's largest item of import is machinery.
B. Pakistan's exports mainly consist of low-value goods.
C. Direction of trade means what goods are being export.
D. Imports must be reduced as far as possible.

574. Commercial policy means
A. policy about markets B. policy about money supply
C. policy for controlling of prices of goods D. policy about imports and exports

575. Import of petroleum makes up Pakistan's total import bill
A. 15% B. 25% C. 22% D. 44%

576. The largest item of Pakistan's exports is
A. Raw cotton B. rice C. textile D. sports goods

577. Largest share of Pakistan's exports go to
A. China B. Japan C. England D. USA

578. Pakistan's share in the world for cotton textiles is
A. 5.7% B. 20% C. 1.7% D. 10%

579. In Pakistan's foreign trade,
A. exports are equal to imports B. exports are less than imports
C. imports are increasing D. imports are three times of exports

580. Since 2005, custom duties have been reduced because of international agreement under
A. WTO B. IMF C. World Bank D. a and b of above

581. Current account in the balance of payment of Pakistan is prepared by
A. Government of Pakistan B. State Bank of Pakistan
C. Export Bureau of Pakistan D. Pakistan Bureau of Statistics

582. To facilitate foreign trade, Pakistan has established in different cities
A. Inland ports B. Regional ports C. Dry ports D. Private ports

583. Pakistan exports these goods
A. ready-made garments, computers, rice B. rice, leather products, tractors
C. cotton yarn, yarn, fish, rice D. machinery, tea, fish

584. Pakistan imports these goods
A. readymade garments, edible oil, rice B. machinery, petroleum, fish
C. tea, fish, fertilizer D. machinery, oil, fertilizer

585. On the basis of earnings, order of Pakistan's exports is.
A. rice, cotton yarn, carpets C. cotton yarn, rice, carpets
B. rice, carpets, cotton yarn D. carpets, cotton yarn, rice

586. On the basis of value, order of Pakistan's imports is
A. oil, chemicals, machinery C. chemicals, machinery, oil
B. oil, machinery, chemicals D. machinery, chemicals, oil

587. Devaluation of currency can help to increase exports if elasticity of demand of exportable items in other countries is
A. less than one B. greater than one C. equal to one D. zero

588. Rising prices of goods in Pakistan will:
A. increase our imports B. increase our exports
C. Increase both exports and imports D. not affect exports or imports

589. Balance of payments statement of Pakistan is prepared by
A. Finance minister C. State Bank
B. Pakistan Bureau of Statistics D. Export promotion Bureau

590. What could the government do to correct the current account deficit?
A. reduce the deficit on the balance of trade B. reduce the repayment of loans
C. reduce the surplus on the capital account D. reduce the volume of imports

591. Rich countries have deficit in their balance of payments
A. always B. off and on C. alternate years D. after every two years

592. In capitalism economic system, there is sovereignty of
A. producer B. consumer C. government D. seller

593. Basic principle of Islamic economic system is
A. equality B. justice C. Adal D. piousness

594. In capitalistic system, prices of goods are determined by
A. government B. sellers C. buyers D. both buyers and sellers

595. In socialistic system, prices of goods are determined by
A. buyers B. government C. sellers D. consumers

596. In working of markets, the Islamic system is nearer to
A. mixed economy B. capitalism C. socialism D. none of these options

597. Which is the basic economic problem which is common in all economic systems
A. allocation of scarce resources B. to increase exports
C. to increase imports D. to correct twin deficit

598. In Pakistan
A. all economic decisions are made through markets
B. Govt. owns most of the means of production
D. markets work freely under govt. control
D. all economic decisions are made by the Govt.

599.In Islamic economic system
A. all economic decisions are made through markets
B. Govt. owns most of the means of production
C. govt. owns most of the means of production
D. all economic decisions are made by the Govt.

600. Capitalism is defined as an economic system where there is
A. a lack of planning
C. private ownership of property
B. forces of demand and supply work
D. forces of demand and supply do not work