PPSC Economics Topic 10 Public Finance

Sr	Questions	Answers Choice
1	In pure competition.	A. Strong rivaled exist B. Cartels are formed C. Both a and b D. None of thes
2	In a pure market economy which of the following is a function of the price. i - provide information to sellers and buyers ii- Provide incentives to sellers and buyers	A. I only B. ii Only C. both i and ii D. Neither i nor ii
3	In the home country government grants a subsidy of a domestically produced good domestic producers tend to.	A. Capture the entire subsidy in the form of higher profits B. Increase their level of production C. Reduce wages paid to domestic workers D. Consider the subsidy as an increase in production cost
4	A market is in equilibrium when	A. Ac = P B. MC = MR C. AC =AR D. TC =TR
5	According to the cost based definition of dumping dumping occurs when a firm sets a product abroad at a price that is less than	A. Average total cost B. Average variable cost C. Average foxed cost D. Marginal cost
6	In order to maximize profits a monopoly company will produce that quantity at which the	A. A marginal revenue equals average total cost B. Price equals marginal revenue C. Marginal revue equals marginal cost D. Total revenue equals total cost
7	Monopoly market is characteristics by	A. A large number of sellers B. Only one seller C. Thousand of seller D. All of these
8	The impact and incidence of sales tax is	A. On the consumer B. On the seller C. On the producer D. None of these
9	When unintended investment is positive	A. Output tends to rise B. Output tends to fall C. Output is in equilibrium D. None of these
10	A firm can fund an investment from its own sources, the opportunity cost of its investment is	A. Less than zero B. Zero C. More than zero D. Neither
11	If tastes are identical between countries than comparative advantage is determined by	A. Supply conditions only B. Demand conditions only C. Supply and demand conditions D. Can't tell without more information.
12	Livestock is	A. An independent sector B. Sub -sector of agriculture C. Should be a part of Agriculture D. Would become a part of Agriculture
13	Industrial polices intended to foster comparative advantage for domestic industries could result in the implementation of.	A. Research and development subsidies B. Loan guarantees C. Low interest rate loans D. All of the above
14	If in market the seller is changing different prices for the same commodity from different	A. Price discrimination B. efficient selling

	consumers it is known as.	C. Profit maxi miser in Monopoly D. all of these
15	In the cost of slugger rises and slugger is major ingredient in jelly beans then the jelly bean.	A. Demand curve shifts to the left B. Supply curve shifts to the left C. Supply curve shifts to the right D. Demand and supply curves both shift to the right
16	Productivity can grow.	A. If capital per hour of labor increases. B. If there are no technological advances. C. If capital per hour of labor decreases D. If real GDP per hour labor decrease and capital per hour of labor increases.
17	The larger the required reserve ratio the.	A. Smaller is the deposit multiplier B. Larger is the deposit multitier C. Larger is the amount of total deposits that can created from a new deposit D. Larger is the amount of total money that can be created from a withdrawal
18	Which provides the best explanation of the failure of many poor countries to experience economic growth as rapid as the rich countries..	A. Classical growth theory B. Neoclassical growth theory C. New growth theory D. Market failure
19	In a "Lorenz curve diagram absolute equality in income distribution would appear as.	A. A curved line well bowed out from the diagonal B. A curved line close to the diagonal C. A right angled line D. A diagonal line
20	In a market system, sellers act in _____ interest, but thsi leads to behaviors in _____ interest.	A. Self, self B. Self, society's C. Society's' , society's D. society's, self