# Lecturer Economics MCQs Past Papers

1. Income elasticity of demand for an inferior good is:
(a)Positive  (b)Zero  (c)Both (a) & (b)  (d)None of these

2. Convexity means averages are _____ than extremes:
(a) Worse (b) Positive (c) Better  (d)None of these

3. Sum of MPC and MPS equals:
(a)2  (b)3  (c)4  (d)None of these

4. During the Liquidity Trap, LM curve is:
(a)Less elastic  (b)Positive  (c)Perfectly elastic  (d)None of these

5. The dominant factor of production is:
(a)Energy  (b)Labour  (c)Technology  (d)None of these

6. GDP deflator is a ratio between:
(a)Input prices  (b)Output prices (c)Both (a) & (b)  (d)None of these

7. During monopoly, the equilibrium condition is:
(a)MC=P  (b)MC>MR  (c)MC=MR  (d)None of these

8. During perfect competition, the firm would earn a normal profit when:
(a)AC>AR  (b)AR

9. Roy's identity is applied on:
(a)Food  (b)Bread  (c)Utility  (d)None of these

10. The following is the narrowest measure of supply of money:
(a)M2  (b)M3  (c)M1  (d)None of these

11. A positive externality in which a consumer wishesto possess a good in part because others do:

(a)Supply  (b)Concavity  (c)Money demand  (d)None of these

12. The profit function is of:

(a)Homogeneous of degree = 1  (b)Homogeneous of degree = 2 (c)Homogeneous of degree = 0  (d)None of these

13. The derivative of cost function withrespect to output price provides:

(a) Input supply function  (b)Output supply function (c)Both (a) & (b)  (d)None of these

14. A strategy that is optimal, no matter what an opponent does:

(a)Dominant firm  (b)Duopoly  (c)Dominant strategy  (d)None of these

15. A devaluation of a currency takes place under

(a)Flexible exchange rate  (b)Fixed exchange rate

(c)Clean floating system  (d)None of these

16. Nominal interest rate is:

(a)Inflation minus Tax  (b)Tax plus Indirect Tax

(c)Real interest rate minus Inflation  (d)None of these

17. An un-anticipated increase in money supply is neutral during:

(a)Short run period  (b)Medium run period

(c)Both (a) & (b)  (d)None of these

18. A rise in general price level shifts the LM curve:

(a)Down and to the right  (b)Up and to the left

(c)Positively sloped  (d)None of these

19. Decrease in tax shiftsthe IS curve:

(a)Down and to the left  (b)Negatively sloped

(c)Up and to the right  (d)None of these

20. Gross National Product is:
(a)GDP – NNP  (b)NFA – GNI  (c)GDP – NX  (d)None of these


21. Foreign aid comprises of:
(a)Grants  (b)Loans  (c)Both (a) and (b)  (d)None of these


22. Per capita income of Pakistan during the fiscal year 2011-12 was:
(a)$ 1258  (b)$1372  (c)$1025  (d)$ 1050  (e)None of these


23. The GINI coefficient is measure of:
(a)Inequality  (b)Poverty  (c)Growth  (d)Development  (e)None of these


24. During the last decade income inequality in rural areas of Pakistan has:
(a)Increased  (b)Decreased  (c)Remained unchanged  (d)None of these


25. The share of agriculture in GDP is:
(a)21%  (b)10%  (c)12%  (d)17%  (e)None of these


26. During 1970's the planning was concerned to:
(a)Industrial planning  (b)Export promotion  (c)Import substitution
(d)Structural planning  (e)None of these


27. National Savings as a percent of GDP during 2011-2013 was:
(a)10.7  (b)13.1  (c)9.5  (d)8.8  (e)None of these


28. The growth rate of manufacture sector during 2011-12 was:
(a)1.7%  (b)4.1%  (c)5.2%  (d)3.6%  (e)None of these


29. The best measure of economic development among following is:
(a)NNP  (b)HDI  (c)GDP  (d)All of these  (e)None of these

30. The main objective of Monetary or fiscal policy is:
(a)Economic stablization  (b)Efficiency  (c)Both (a) and (b)  (d)None of these


31. Direct taxes during 2011-12 were around  of total tax revenue.
(a)37%  (b)63%  (c)15%  (d)None of these


32. Public debt as a percent of GDP for 2011-12 was:
(a)58%  (b)65%  (c)50%  (d)45%  (e)None of these


33. Govt. of Pakistan borrows from:
(a)Internal sources  (b)External sources  (c)Pakistani banks
(d)All of these  (e)None of these


34. Growth rate of agriculture sector during 2011-12 was:
(a)3.1%  (b)5.4%  (c)2.9%  (d)2.1%  (e)None of these

35. Nationalization of industries took place during the regime of:
(a)ZA Bhutto  (b)Zia ul Haq  (c)Ayub Khan  (d)None of these


36. Development economics is concerned with:
(a)Efficient allocation of scarce resources  (b)Economic, social and political
institutions. (c)Imperfect resource and commodity markets.  (d)(a) and (b) only  (e)None of
these

37. The last land reforms in Pakistan were introduced in:
(a)1972  (b)1977  (c)1981  (d)1958  (e)None of these


38. IMF advances loan for:
(a)Construction  (b)Balance of payment  (c)Travelling  (d)None of these


39. Sixth five year plancovers the period:
(a)1965-70  (b)1960-65  (c)1988-93  (d)1983-88  (e)None of these

40. The unemployment rate in Pakistan during 2010-11 was:
(a)7% (b)5% (c)3% (d)6% (e)None of these


41) Demand curve in case of Giffen good is:
(a) Negatively sloped (b) Vertical
(c) Positively sloped (d) None of these


42) Price consumption curve in case of complementary goods is:
(a) Downward sloping (b) Vertical
(c) Upward sloping (d) None of these


43) In case of two goods, following utility approach, a consumer is in equilibrium when:
(a) $MUx/Px = MUy/Py$ (b) $MUx/Px < MUy/Py$
(c) $MUx/Mx > MUy/Py$ (d) Both (b) and (c)


44) In short run:
(a) Labour is variable (b) Both labour and capital are variable
(c) Both labour and capital fixed (d) None of these


45) When MC is equal to AC, the AC:
(a) Increases (b) Decreases
(c) Remains constant (d) None of these


46) Normal profit, excess profit and loss of the firm depends on level of:
(a) Average costs in short run (b) Total costs in short run
(c) Marginal costs in short run (d) All of these


47) In case of perfect competition, the sellers are:
(a) Two (b) A few
(c) Very large (d) None of these

48) The firm is in equilibrium when:
(a) Slope of TC = Slope of TR (b) Slope of TC is less than slope of TR
(c) Slope of TC is more than slope of TR (d) None of these


49) The Marginal Revenue Product of labour MRPLis:
(a) MR x MP (b) MR / MP
(c) MR – MP  (d) Both (b) and (c)


50. In case of imperfect competition the MRPLis the:
(a) Supply of labour curve (b) Demand for labour curve
(c) Both of these (d) None of these