

Question # 4 of 15 (Start time: 08:39:37 PM) Total Marks: 1

Real GDP is equal to:

Select correct option:

Nominal GDP – Inflation.

Nominal GDP + Inflation.

Nominal GDP / Inflation.

Inflation / Nominal GDP.

Question # 5 of 15 (Start time: 08:40:02 PM) Total Marks: 1

The relationship between consumer spending and income is known as the:

Select correct option:

45-degree line.

Consumption function.

Investment function.

Consumer price index.

Question # 6 of 15 (Start time: 08:41:00 PM) Total Marks: 1

Overestimation of national product in national income calculations is known as:

Select correct option:

Lack of effective demand effect.

Distortion effect.

Double counting effect.

None of the given.

Question # 7 of 15 (Start time: 08:41:25 PM) Total Marks: 1

When we study market equilibrium, the primary influencing variable on production and purchasing decisions is:

Select correct option:

Price.

Cost of production.

The overall state of the economy.

Consumer's income.

$Q = a - bP$ represents equation of

Select correct option:

Supply function

Demand function

Labor supply function

Market demand function

Question # 9 of 15 (Start time: 08:44:05 PM) Total Marks: 1

When producers are unable to meet market demand for the product, this results as:

Select correct option:

Surplus of goods

Market failure

Monopoly

Shortage of good

Quiz Start Time: 08:37 PM Time Left 89

sec(s)

Question # 10 of 15 (Start time: 08:44:37 PM) Total Marks: 1

If the quantity demanded of mangoes exceeds the quantity supplied of mangoes:

Select correct option:

There is a surplus of mangoes.

Market forces will cause the price to fall.

Market forces will cause the price to rise.

The market is in equilibrium.

Question # 11 of 15 (Start time: 08:45:10 PM) Total Marks: 1

The slope of the consumption function (or line) is the:

Select correct option:

Average propensity to save.

Average propensity to consume.

Marginal propensity to save.

Marginal propensity to consume.

Question # 12 of 15 (Start time: 08:45:29 PM) Total Marks: 1

The law of diminishing marginal utility states:

Select correct option:

The supply curve slopes upward.

Your utility grows at a slower and slower rate as you consume more and more units of a good.

The elasticity of demand is infinite.

None of the given options.

Question # 13 of 15 (Start time: 08:46:00 PM) Total Marks: 1

If the quantity demanded of computers exceeds the quantity supplied of computers:

Select correct option:

Market forces will cause the price to rise.

The market is in equilibrium.

There is a surplus of computers.

Market forces will cause the price to fall.

Question # 14 of 15 (Start time: 08:46:44 PM) Total Marks: 1

An increase in the total output of a country over time is called

Select correct option:

Economic development

Economic growth

Financial growth

None of the given options

Question # 15 of 15 (Start time: 08:47:11 PM) Total Marks: 1

Keeping in view the model of aggregate supply and aggregate demand, in the long run, a decrease in the money supply should cause:

Select correct option:

Both prices and output to rise.

Both prices and output to fall.

Prices to rise and output to remain unchanged.

Prices to fall and output to remain unchanged.

Quiz Start Time: 08:55 PM Time Left 89
sec(s)

Question # 1 of 15 (Start time: 08:55:11 PM) Total Marks: 1
The resulting measure is unit free for price elasticity of demand, so we always
measure it in:
Select correct option:

Percentage terms.

Absolute terms.

Inelastic terms.

Elastic terms.

Question # 2 of 15 (Start time: 08:55:34 PM) Total Marks: 1
Income elasticity of demand for the normal goods is usually:
Select correct option:

Positive.

Negative.

Constant.

One.

Question # 3 of 15 (Start time: 08:56:07 PM) Total Marks: 1
If there would be an increase in interest rate then:
Select correct option:

Savings will decrease.

Consumption will increase.

Consumption will decrease.

Marginal propensity of consume will increase.

Question # 4 of 15 (Start time: 08:56:31 PM) Total Marks: 1
In a free-market economy, the allocation of resources is determined by:
Select correct option:

Votes taken by consumers.

A central planning authority.

Consumer preferences.

The level of profits of firms.

Question # 5 of 15 (Start time: 08:57:13 PM) Total Marks: 1

In Keynesian economics, equilibrium can occur:

Select correct option:

Only at full employment.

Only at levels less than full employment.

Only at levels greater than full employment.

At any level of aggregate output equal to aggregate expenditures.

Question # 6 of 15 (Start time: 08:57:41 PM) Total Marks: 1

Cartels are:

Select correct option:

Organizations of independent firms, producing similar products, that work together to raise prices and restrict output

Organizations of interdependent firms

Oligopolies

All of the above

Question # 7 of 15 (Start time: 08:58:09 PM) Total Marks: 1

The firm's demand for labor is:

Select correct option:

The marginal revenue product curve

The marginal input cost curve

The marginal cost curve

Undetermined

Question # 8 of 15 (Start time: 08:58:37 PM) Total Marks: 1

Production possibilities analysis assumes that:

Select correct option:

Resources and technology increase with production.

Resources are used to produce thousands of goods.

Extra resources are saved for emergency use.

Resources are used in a technically efficient way.

Question # 9 of 15 (Start time: 08:58:54 PM) Total Marks: 1

There are _____ methods of measuring GDP:

Select correct option:

Four

Three

Five

None

Question # 10 of 15 (Start time: 08:59:17 PM) Total Marks: 1

A new technology which reduces costs for firms:

Select correct option:

Shifts the supply curve to the right.

Shifts the supply curve to the left.

Reduces the equilibrium quantity.

Raises the equilibrium price.

Question # 11 of 15 (Start time: 08:59:55 PM) Total Marks: 1

Which of the following is true about the point on a nation's production-possibilities curve?

Select correct option:

It shows an undesirable combination of goods and services.

It shows the combinations of production that are unattainable, given current technology and resources.

It shows the level of production that will cause both unemployment and inflation.

It shows that resources are fully employed in producing a particular combination of goods and services.

Question # 12 of 15 (Start time: 09:00:23 PM) Total Marks: 1

If Nominal GDP is divided by the GDP deflator, it is called:

Select correct option:

Real Gross Domestic Product (GDP)

Gross National product (GNP)

Net national Product (NNP)

None of the given.

Quiz Start Time: 08:55 PM Time Left 89
sec(s)

Question # 13 of 15 (Start time: 09:00:45 PM) Total Marks: 1

Suppose that a farmer grows wheat and sells it to a baker for \$1, the baker makes bread and sells it to a store for \$2, and the store sells it to the customer for \$3. This transaction increases GDP by:

Select correct option:

\$1.

\$2.

\$3.

\$6.

Question # 14 of 15 (Start time: 09:01:32 PM) Total Marks: 1

If a firm operates in a perfectly competitive market, then it will most likely:

Select correct option:

Advertise its product on television.

Have difficult time obtaining information about the market price.

Settle for whatever price is offered.

Have an easy time keeping other firms out of the market.

Question # 15 of 15 (Start time: 09:01:59 PM) Total Marks: 1

All other things being equal, a decrease in government spending will:

Select correct option:

Shift the aggregate demand curve to the left.

Shift the aggregate demand curve to the right.

Make the aggregate demand curve steeper.

Make the aggregate demand curve flatter.

Question # 1 of 15 (Start time: 09:03:47 PM) Total Marks: 1

The common characteristic of Monopolistic competition and oligopoly is:

Select correct option:

Free entry and exit from the industry.

Their Strategic behavior.

Advertising.

Their Standardized products.

Question # 2 of 15 (Start time: 09:04:46 PM) Total Marks: 1

Goods A and B are complements while goods A and C are substitutes. If the supply of good X decreases:

Select correct option:

The demand for both B and C will increase.

The demand for B will increase while the demand for C will decrease.

The demand for B will decrease while the demand for C will increase.

The demand for both B and C will decrease.

Question # 3 of 15 (Start time: 09:05:33 PM) Total Marks: 1

The branch of economics that studies the behavior of individual households, firms and industries is known as:

Select correct option:

Normative economics.

Macroeconomics.

Positive economics.

Micro economics.

Quiz Start Time: 09:03 PM

Time Left 88

sec(s)

Question # 4 of 15 (Start time: 09:05:59 PM) Total Marks: 1

What would result from a depreciation of the pound on the foreign exchange market?

Select correct option:

An increase in the price of imported computers.

A fall in the purchasing power of US tourists in London.

A fall in the price of imported computers.

An increase in the purchasing power of UK tourists overseas.

Question # 5 of 15 (Start time: 09:06:35 PM) Total Marks: 1

A price taker is:

Select correct option:

A firm that accepts different prices from different customers.

A monopolistically competitive firm.

A firm that cannot influence the market price.

An oligopolistic firm.

Question # 6 of 15 (Start time: 09:06:52 PM) Total Marks: 1

The market structure in which strategic considerations are most important is:

Select correct option:

Monopolistic competition.

Oligopoly.

Pure competition.

Pure monopoly.

Question # 7 of 15 (Start time: 09:07:12 PM) Total Marks: 1

Sum of total factor income is called:

Select correct option:

Government revenues.

Disposable income.

National Income.

None of the given.

Question # 8 of 15 (Start time: 09:07:38 PM) Total Marks: 1

If Aggregate expenditures are more than aggregate production then their will be:

Select correct option:

Inflationary gap in economy.

Deflationary gap in economy.

Dynamic gap in economy.

None of the given.

Question # 9 of 15 (Start time: 09:08:03 PM) Total Marks: 1

An indifference curve is:

Select correct option:

A collection of market baskets that are equally desirable to the consumer.

A collection of market baskets that the consumer can buy.

A curve whose elasticity is constant for every price.

A curve which passes through the origin and includes all of the market baskets that the consumer regards as being equivalent.

Question # 10 of 15 (Start time: 09:08:32 PM) Total Marks: 1

According the law of diminishing returns:

Select correct option:

The marginal product falls as more units of a variable factor are added to a fixed factor.

Marginal utility falls as more units of a product are consumed.

The total product falls as more units of a variable factor are added to a fixed factor.

Question # 11 of 15 (Start time: 09:08:57 PM) Total Marks: 1

The investment demand curve shows the relationship between the levels of:

Select correct option:

Investment and consumption.

Consumption and interest rate.

Investment and interest rate.

Investment and saving.

Question # 12 of 15 (Start time: 09:10:27 PM) Total Marks: 1

In economics, the "long run" is a time period in which:

Select correct option:

All inputs are variable.

All inputs are paid for.

All outputs are determined.

All loans are repaid.

Question # 13 of 15 (Start time: 09:10:48 PM) Total Marks: 1

If the current market price is above the market clearing level. We would expect:

Select correct option:

A shortage to accumulate.

A surplus to accumulate.

Upward pressure on the current market price.

Lower production during the next time period.

Question # 14 of 15 (Start time: 09:11:28 PM) Total Marks: 1

All the insurance companies around the globe work under the principle of:

Select correct option:

Law of zero numbers .not sure

Law of large numbers.

Law of small numbers.

None of the given options.

Question # 15 of 15 (Start time: 09:11:51 PM) Total Marks: 1

Economics is different from other social sciences because it is primarily concerned with the study of _____, it is similar to other social sciences because they are all concerned with the study of _____.

Select correct option:

Limited resources, market behavior

Scarcity, human behavior

Social behavior, limited resources

Biological behavior, scarcity

Question # 3 of 15 (Start time: 09:17:41 PM) Total Marks: 1

Which of the following would cause the short run aggregate supply curve to shift to the left, but have no effect over the long run aggregate supply?

Select correct option:

The amount of factors of production (such as labor and capital) increase

The amount of factors of production (such as labor and capital) decrease

Prices of inputs (such as wages or oil prices) increase

Question # 5 of 15 (Start time: 09:19:05 PM) Total Marks: 1

The more inelastic the demand, the more of the tax's burden will fall on:

Select correct option:

Consumers.

Producers.

Government.

Middle man.

Question # 6 of 15 (Start time: 09:19:35 PM) Total Marks: 1

Assume that there is no government or foreign sector, if the marginal propensity to consume (MPC) is 0.60, then the value of multiplier will be equal to:

Select correct option:

2.5

0.40

1.66

5.0

Question # 7 of 15 (Start time: 09:20:44 PM) Total Marks: 1

It is expected that the sign of cross price elasticity of demand between two complementary goods would be:

Select correct option:

Positive.

Negative.

Zero.

Ambiguous.

Question # 8 of 15 (Start time: 09:21:14 PM) Total Marks: 1

When the cross price elasticity of demand for two goods is less than zero then the goods are:

Select correct option:

Complementary goods.

Substitute goods.

Inferior goods.

Giffen goods.

Question # 9 of 15 (Start time: 09:21:32 PM) Total Marks: 1

An exchange rate that varies according to the supply and demand for the currency in the foreign exchange market is called a(n) _____ exchange rate.

Select correct option:

Overvalued.

Undervalued.

Fixed.

Flexible.

Question # 10 of 15 (Start time: 09:21:56 PM) Total Marks: 1

If the cross price elasticity of demand between two products is +3.5, then:

Select correct option:

One of the products is expensive and one is relatively inexpensive.

One product is a normal good and the other is an inferior good.

The two products are complements.

The two products are substitutes.

If Nominal GDP is divided by the GDP deflator, it is called:

Select correct option:

Real Gross Domestic Product (GDP)

Gross National product (GNP)

Net national Product (NNP)

None of the given.

To make the equation of exchange into the quantity theory of money:

Select correct option:

V and Q are assumed to be constant.

The money supply is assumed to be produced by the banking system and not exclusively in currency.

The quantity of money is assumed to determine the amount of Real GDP.

M and P are considered constant.

The branch of economics that studies the behavior of individual households, firms and industries is known as:

Select correct option:

Normative economics.

Macroeconomics.

Positive economics.

Micro economics.

GDP is:

Select correct option:

A stock

A flow.

Both a stock and a flow.

Neither a stock nor a flow.

When the marginal revenue product of labor is less than the marginal input cost of labor then the profit maximizing firm will:

Select correct option:

Hire more labor.

Hire less labor.

Maintain the same employment.

Decrease output.

Normally the shape of production possibilities curve is:

Select correct option:

Positive

Convex

Linear

Concave

Suppose to hire the next worker, the firm pays Rs. 75. This Rs. 75 is the:

Select correct option:

Marginal input cost.

Marginal cost.

Marginal revenue product.

Marginal revenue.

The average propensity to consume is the ratio of:

Select correct option:

A change in consumption to a change in disposable income.

A change in consumption to total disposable income at a specific income level.

Total consumption to total disposable income at a specific income level.

Total consumption to a change in disposable income.

The investment demand curve shows the relationship between the levels of:
Select correct option:

- Investment and consumption.
- Consumption and interest rate.
- Investment and interest rate.**
- Investment and saving.

The slope of budget line $-P_x/P_Y$ is also called:
Select correct option:

- Input ratio.
- Output price ratio.
- Input price ratio.**
- Output ratio.

Many economists and government analysts have investigated the effect of a minimum wage on labour markets. The general conclusion reached by the investigators is that:
Select correct option:

- The overall effect of the minimum wage is an increase in the unemployment level.**
- Teenagers gain most of the beneficial employment effects of the minimum wage.
- All industries are equally affected by the minimum wage laws.
- Over a period of time, the minimum wage laws will increase employment in the economy.

Which of the following events shifts the short-run aggregate supply curve to the right?
Select correct option:

- A decrease in the money supply
- A drop in oil prices**
- An increase in government spending on military equipment
- An increase in price expectations

If the income elasticity of demand for bread is 0.4, a 10% increase in consumer income will lead to a:
Select correct option:

- 40% increase in the quantity of bread demanded.
- 40% decrease in the quantity of bread demanded.
- 4% increase in the quantity of bread demanded.
- 0.4% increase in the quantity of bread demanded.

The traditional Phillips Curve shows the:
Select correct option:

- Inverse relationship between the rate of inflation and the unemployment rate.
- Inverse relationship between the nominal and the real wage.
- Direct relationship between unemployment and demand-pull inflation.
- Tradeoff between the short run and the long run.

If two goods were perfect substitute, their indifference curves would be:
Select correct option:

- Straight lines.
- L-shaped.
- Rectangular hyperbolas.
- Parabolic.

For a monopolist, changes in demand will lead to changes in:

Select correct option:

- Price with no change in output
- Output with no change in price
- Both price and quantity
- Any of the above is possible

Which one of the following is most likely to lead to an increase in aggregate demand?
If there is increase in:

Select correct option:

- Government tax revenues

Household savings

Business capital investment

Demand for imports

The branch of economics that studies the entire economy, such topics as aggregate production, unemployment and inflation is called

Select correct option:

Micro economics

Managerial economics

Macro economics

Financial economics

An exchange rate that has an officially fixed value less than its fundamental value is called a(n) _____ exchange rate.

Select correct option:

Devalued.

Revalued.

Depreciated.

Undervalued.

_____ is an accounting record of a country's transactions with rest of the world.

Select correct option:

Balance of trade.

Trade liberalization.

Balance of payment.

None of the given.

GDP measures:

Select correct option:

- Expenditure on all final goods and services.
- Total income of everyone in the economy.
- Total value-added by all firms in the economy.
- All of the given options

"Capital widening" means:

Select correct option:

- More capital and more labour, but with the same amount of capital per unit of labour.
- More capital per unit of labour.
- Increasing the usage of existing capital.
- Importing capital from the developed world.

If there is a price ceiling, there will be:

Select correct option:

- Shortages.
- Surpluses.
- Equilibrium.
- None of the given options.

When the price of wheat rises by 10%, the quantity of wheat purchased falls by 4%.

This shows that the demand for wheat is:

Select correct option:

- Perfectly elastic.
- Unit elastic.
- Price elastic.
- Price inelastic.

Which of the following defines the opportunity cost?

Select correct option:

- It is measured only in rupees.
- It is the cost to society of producing the goods.
- It is the difficulty associated with using one good in place of another.
- It is the cost of next best alternative forgone.

If the cross price elasticity of demand between two products is +3.5, then:

Select correct option:

One of the products is expensive and one is relatively inexpensive.

One product is a normal good and the other is an inferior good.

The two products are complements.

The two products are substitutes.

The war in Iraq sent oil prices spiraling upwards, resulting in an increase in the overall price level. This is an example of which type of inflation?

Select correct option:

Cost-pull.

Cost-push.

Demand-pull.

Demand-push.

If a decrease in price increases total revenue:

Select correct option:

Demand is elastic.

Demand is inelastic.

Supply is elastic.

Supply is inelastic.

In which market structure(s) price will exceed marginal revenue?

Select correct option:

Differentiated oligopoly and monopoly only.

Standardized oligopoly and pure competition only.

Monopolistic competition and monopoly only.

Monopolistic competition, oligopoly, and monopoly.

If marginal product is equal to average product:

Select correct option:

The total product will fall

The average product will not change

Average variable costs will fall

Total revenue will fall

Demand is said to be _____ when the elasticity of demand is less than 1.

Select correct option:

- Increasing
- Decreasing
- Elastic
- Inelastic

The percentage change in quantity demanded given a percentage change in consumer's income is known as:

Select correct option:

- Price elasticity of demand.
- Income elasticity of demand.
- Supply price elasticity.
- Cross price elasticity.

The primary reason of decline in the value of money is:

Select correct option:

- Deflation.
- Inflation.
- A rise in consumption.
- Higher tax rate.

The branch of economics that studies the entire economy, such topics as aggregate production, unemployment and inflation is called:

Select correct option:

- Managerial economics.
- Macro economics.
- Micro economics.
- Financial economics.

The traditional Phillips Curve shows the:

Select correct option:

- Inverse relationship between the rate of inflation and the unemployment rate.
- Inverse relationship between the nominal and the real wage.
- Direct relationship between unemployment and demand-pull inflation.
- Tradeoff between the short run and the long run.

Which of the following statements describes the presence of diminishing returns.
Select correct option:

- The marginal product of a factor is positive and rising.
- The marginal product of a factor is positive but falling.
- The marginal product of a factor is falling and negative.
- The marginal product of a factor is constant.**

Suppose we find that the cross-price elasticity of demand for two products is a negative number. We know that:
Select correct option:

- The two goods are normal goods.
- The two goods are inferior goods.
- The two goods are substitutes.
- The two goods are complements.**

Goods A and B are complements while goods A and C are substitutes. If the supply of good X decreases:
Select correct option:

- The demand for both B and C will increase.
- The demand for B will increase while the demand for C will decrease.
- The demand for B will decrease while the demand for C will increase.**
- The demand for both B and C will decrease.

To make the equation of exchange into the quantity theory of money:
Select correct option:

- V and Q are assumed to be constant.**
- The money supply is assumed to be produced by the banking system and not exclusively in currency.
- The quantity of money is assumed to determine the amount of Real GDP.
- M and P are considered constant.

Which of the following markets is most likely to be oligopolistic?
Select correct option:

- The market for corn.
- The market for aluminum.
- The market for colas.**
- The market for ground coffees.

According to classical economists, the:
Select correct option:

Aggregate demand curve is downward sloping and the aggregate supply curve is vertical

Aggregate demand curve is downward sloping and the aggregate supply curve is upward sloping

Aggregate demand curve is vertical and the aggregate supply curve is upward sloping

Aggregate demand curve is vertical and the aggregate supply curve is horizontal

Our economy is characterized by:
Select correct option:

Unlimited wants and needs.

Unlimited material resources.

No energy resources.

Abundant productive labor.

The slope of budget line $-P_x/P_Y$ is also called:
Select correct option:

Input ratio.

Output price ratio.

Input price ratio.

Output ratio.

In the equation $MV = PQ$, according to the crude quantity theory of money:
Select correct option:

M has no effect on the price level.

V is the number of times each dollar is spent per year.

Q is the real price level.

P rises as V falls, other things constant.

If the quantity demanded of mangoes exceeds the quantity supplied of mangoes:
Select correct option:

There is a surplus of mangoes.

Market forces will cause the price to fall.

Market forces will cause the price to rise.

The market is in equilibrium.

If a monopolist sets his output such that marginal revenue, marginal cost and average total cost are equal, economic profit must be:

Select correct option:

Negative.

Positive.

Zero.

Indeterminate from the given information.

A market is said to be in equilibrium when:

Select correct option:

Supply equals Price.

There is downward pressure on price.

The amount consumers wish to buy at the current price equals the amount producers wish to sell at that price.

All buyers are able to find sellers willing to sell to them at the current price.

More output could be produced with available resources if:

Select correct option:

Resources are allocated efficiently.

Resources are imperfectly shiftable among alternative uses.

Prices are reduced.

The economy is operating at a point inside the production possibilities curve.

A source of fluctuations in investment spending is:

Select correct option:

Changes in government expectations of future output growth.

Changes in household's expectations about future output growth.

Changes in household's expectations about future risk.

Changes in investor's expectations about future profits.

When producers are unable to meet market demand for the product, this results as:

Select correct option:

Surplus of goods

Market failure

Monopoly

Shortage of good

The optimal point of consumption is that point where consumer surplus becomes:
Select correct option:

Zero.

Maximum.

Minimum.

Positive.

Quiz Start Time: 01:06 PM

Question # 3 of 15 (Start time: 01:09:04 PM)

The trend of unemployment over the last forty years is:

Select correct option:

- A decrease in unemployment.
- It has remained largely unchanged.
- An increase in unemployment.
- It is too difficult to tell so don't bother.

Cute Killer

Quiz

Quiz Start Time: 01:06 PM

Question # 4 of 15 (Start time: 01:09:42 PM)

Normally the shape of production possibilities curve is:

Select correct option:

- Positive
- Convex
- Linear
- Concave

CUTE KILLER

Quiz Start Time: 01:06 PM

Question # 5 of 15 (Start time: 01:10:30 PM)

Assume that the current market price is below the market clearing level. We would expect:

Select correct option:

- A surplus to accumulate.
- Downward pressure on the current market price.
- Upward pressure on the current market price.
- Lower production during the next time period.

Quiz Start Time: 01:06 PM

Question # 6 of 15 (Start time: 01:11:31 PM)

Marginal Cost is defined as:

Select correct option:

- The derivative of Variable Cost with respect to quantity produced.
- The derivative of Average Cost with respect to quantity produced.
- The derivative of Total Cost with respect to quantity produced.
- The derivative of Average Variable Cost with respect to quantity produced.

Ver

Quiz Start Time: 01:06 PM

Question # 7 of 15 (Start time: 01:13:00 PM)

If the price elasticity of demand for beans is estimated to be -0.4, then a 20% increase in price will decrease the quantity demanded by:

Select correct option:

- 14%
- 8%
- 16%
- 20%

Quiz Start Time: 01:06 PM

Question # 8 of 15 (Start time: 01:14:32 PM)

If there is an excess demand for loanable funds in the financial markets then:

Select correct option:

- Real interest rate will increase.
- Real interest rate will decrease.
- Output will be stagnant.
- Interest rate will be same.

Quiz Start Time: 01:06 PM

Question # 9 of 15 (Start time: 01:15:22 PM)

The marginal utility function of $TU = 60Q - 4Q^2$ will be:

Select correct option:

- $60-8Q$.
- $60-16Q$.
- $60-4Q$.
- $60Q^2 - 4Q$.

Quiz Start Time: 01:06 PM

Question # 10 of 15 (Start time: 01:16:29 PM)

A cost of producing one additional unit of good or service is known as:

Select correct option:

- Average cost.
- Variable cost.
- Marginal cost.
- Sunk cost.

Quiz Start Time: 01:06 PM

Question # 11 of 15 (Start time: 01:18:01 PM)

In which case, total expenditure in an economy is not equal to total income?

Select correct option:

- If total saving is larger than total investment.
- If net exports are not zero.
- If inventory investment is negative.
- None of the given options--they are always equal.

Quiz Start Time: 01:06 PM

Question # 12 of 15 (Start time: 01:19:23 PM)

Which of the following might be considered to be a characteristic of a planned economy?

Select correct option:

- All income is completely evenly distributed.
- Price is relatively unimportant as a means of allocating resources.
- Goods and services produced reflect consumer sovereignty.
- There is no incentive for people to work hard.

Cute Killer

Quiz Start Time: 01:06 PM

Question # 12 of 15 (Start time: 01:19:23 PM)

Which of the following might be considered to be a characteristic of a planned economy?

Select correct option:

- All income is completely evenly distributed.
- Price is relatively unimportant as a means of allocating resources.
- Goods and services produced reflect consumer sovereignty.
- There is no incentive for people to work hard.

Quiz Start Time: 01:06 PM

Question # 13 of 15 (Start time: 01:20:43 PM)

If there would be an increase in interest rate then:

Select correct option:

- Savings will decrease.
- Consumption will increase.
- Consumption will decrease.
- Marginal propensity of consume will increase.

Quiz - Google Chrome
quiz.vu.edu.pk/QuizQuestion.aspx?ver=105b792b-83fb-4058-8a1b-ca9266b973f1

BC100402245 : Mehwish Rashid Time Left 64 sec(s)

Quiz Start Time: 01:06 PM

Question # 14 of 15 (Start time: 01:22:12 PM) Total Marks: 1

Suppose to hire the next worker, the firm pays Rs. 75. This Rs. 75 is the:

Select correct option:

- Marginal input cost.
- Marginal cost.
- Marginal revenue product.
- Marginal revenue.

[Click here to Save Answer & Move to Next Question](#)

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Quiz Start Time: 01:06 PM

Question # 15 of 15 (Start time: 01:22:44 PM)

The demand curve is positively sloped for the:

Select correct option:

- Normal goods.
- Giffen goods.
- Inferior goods.
- Normal and Giffen goods.

Quiz Start Time: 01:06 PM

Question # 15 of 15 (Start time: 01:22:44 PM)

The demand curve is positively sloped for the:

Select correct option:

- Normal goods.
- Giffen goods.
- Inferior goods.
- Normal and Giffen goods.

Cute Killer

Quiz Start Time: 01:52 PM

Question # 1 of 15 (Start time: 01:52:49 PM)

If the quantity demanded of mangoes exceeds the quantity supplied of mangoes:

Select correct option:

- There is a surplus of mangoes.
- Market forces will cause the price to fall.
- Market forces will cause the price to rise.
- The market is in equilibrium.

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Quiz Start Time: 01:52 PM

Question # 2 of 15 (Start time: 01:54:19 PM)

The traditional Phillips Curve shows the:

Select correct option:

- Inverse relationship between the rate of inflation and the unemployment rate.
- Inverse relationship between the nominal and the real wage.
- Direct relationship between unemployment and demand-pull inflation.
- Tradeoff between the short run and the long run.

Quiz Start Time: 01:52 PM

Question # 3 of 15 (Start time: 01:55:26 PM)

Which of the following do not affect a nation's balance of payments?

Select correct option:

- Foreign income.
- The differential between domestic and foreign interest rates.
- The real exchange rate.
- Labor force.

Answer

Quiz Start Time: 01:52 PM

Question # 4 of 15 (Start time: 01:56:16 PM)

Unemployment benefits may increase the unemployment rate because unemployment benefits:

Select correct option:

- Reduce the cost of job search.
- Encourage people to quit their jobs.
- Reduce the benefits of additional job searching.
- Enable people to quit searching for work.

Quiz Start Time: 01:52 PM

Question # 4 of 15 (Start time: 01:56:16 PM)

Unemployment benefits may increase the unemployment rate because unemployment benefits:

Select correct option:

- Reduce the cost of job search.
- Encourage people to quit their jobs.
- Reduce the benefits of additional job searching.
- Enable people to quit searching for work.

Quiz Start Time: 01:52 PM

Question # 7 of 15 (Start time: 01:59:25 PM)

If there is an excess demand for loanable funds in the financial markets then:

Select correct option:

- Real interest rate will increase.
- Real interest rate will decrease.
- Output will be stagnant.
- Interest rate will be same.

Quiz Start Time: 01:52 PM

Question # 9 of 15 (Start time: 02:01:36 PM)

_____ is an accounting record of a country's transactions with rest of the world.

Select correct option:

- Balance of trade.
- Trade liberalization.
- Balance of payment.
- None of the given.

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Quiz Start Time: 01:52 PM

Question # 9 of 15 (Start time: 02:01:36 PM)

_____ is an accounting record of a country's transactions with rest of the world.

Select correct option:

- Balance of trade.
- Trade liberalization.
- Balance of payment.
- None of the given.

Quiz Start Time: 01:52 PM

Question # 10 of 15 (Start time: 02:02:55 PM)

The law of diminishing marginal utility indicates that the demand curve is:

Select correct option:

- Vertical.
- U shaped.
- Upward sloping.
- Downward sloping.

Cute Killer

over

Quiz Start Time: 01:52 PM

Question # 11 of 15 (Start time: 02:03:40 PM)

Suppose the consumption function is $C = 1000 + 0.75Y$. If $Y = 100$, then the amount of consumption is:

Select correct option:

- 1750.
- 1500.
- 1075.
- 1100.



Quiz Start Time: 01:52 PM

Question # 12 of 15 (Start time: 02:04:53 PM)

Assume that the current market price is below the market clearing level. We would expect:

Select correct option:

- A surplus to accumulate.
- Downward pressure on the current market price.
- Upward pressure on the current market price.
- Lower production during the next time period.

Quiz Start Time: 01:52 PM

Question # 13 of 15 (Start time: 02:05:35 PM)

The primary reason of decline in the value of money is:

Select correct option:

- Deflation.
- Inflation.
- A rise in consumption.
- Higher tax rate.

Cute Killer

Quiz Start Time: 01:52 PM

Question # 14 of 15 (Start time: 02:07:01 PM)

The branch of economics that studies the behavior of individual households, firms and industries is known as:

Select correct option:

- Normative economics.
- Macroeconomics.
- Positive economics.
- Micro economics.

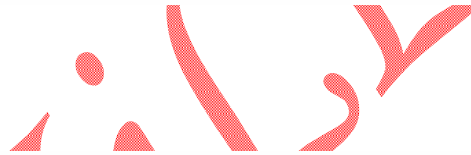
Quiz Start Time: 01:52 PM

Question # 15 of 15 (Start time: 02:07:58 PM)

Which school of thought holds that decreases in aggregate demand decrease real output but leave the price level largely unaffected?

Select correct option:

- Monetarism
- New Classical theory
- Real Business Cycle theory
- Keynesian



Quiz Start Time: 02:17 PM

Question # 1 of 15 (Start time: 02:17:07 PM)

Naima has just finished school and is waiting to report to his new job at the beginning of the month. Naima is considered to be:

Select correct option:

- Structurally unemployed.
- Frictionally unemployed.
- Cyclically unemployed.
- Employed.



Quiz Start Time: 02:17 PM

Question # 2 of 15 (Start time: 02:18:33 PM)

If the demand curve for a good is downward sloping, then the good:

Select correct option:

- Must be normal.
- Must be inferior.
- Must be Giffen.
- Can be normal or inferior.

Quiz Start Time: 02:17 PM

Question # 3 of 15 (Start time: 02:19:55 PM)

The firm's demand for labor is:

Select correct option:

- The marginal revenue product curve
- The marginal input cost curve
- The marginal cost curve
- Undetermined

Quiz Start Time: 02:17 PM

Question # 4 of 15 (Start time: 02:20:33 PM)

Which of the following events shifts the short-run aggregate supply curve to the right?

Select correct option:

- A decrease in the money supply
- A drop in oil prices
- An increase in government spending on military equipment
- An increase in price expectations

Quiz Start Time: 02:17 PM

Question # 4 of 15 (Start time: 02:20:33 PM)

Which of the following events shifts the short-run aggregate supply curve to the right?

Select correct option:

- A decrease in the money supply
- A drop in oil prices
- An increase in government spending on military equipment
- An increase in price expectations

Quiz Start Time: 02:17 PM

Question # 6 of 15 (Start time: 02:22:42 PM)

According to the quantity theory of money, if there is inflation, what must have caused it?

Select correct option:

- Increased velocity.
- Higher budget deficits.
- Higher oil prices.
- An increase in the money supply.

Cute Killer

Quiz Start Time: 02:17 PM

Question # 7 of 15 (Start time: 02:24:15 PM)

" $Q = c + dP$ " represents equation of:

Select correct option:

- Supply.
- Demand.
- Labor supply.
- Budget line.

Cute Killer

Quiz Start Time: 02:17 PM

Question # 8 of 15 (Start time: 02:25:43 PM)

A Demand Curve is price inelastic when:

Select correct option:

- Changes in demand are proportionately smaller than those in price.
- Changes in demand are proportionately greater than those in price.
- Changes in demand are equal than those in price.
- None of the given options.

Quiz Start Time: 02:17 PM

Question # 10 of 15 (Start time: 02:28:04 PM)

Endogenous growth theory was developed in:

Select correct option:

- 1980.
- 1965.
- 1970.
- 1950.

Cute Killer

Quiz Start Time: 02:17 PM

Question # 11 of 15 (Start time: 02:28:56 PM)

Counting a product more than once in National income measurement is known as:

Select correct option:

- Statistical error
- Counting error.
- Double counting.
- Mathematical bias.

over

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Quiz Start Time: 02:17 PM

Question # 12 of 15 (Start time: 02:30:14 PM)

Is GDP an accurate measure of a country's well being?

Select correct option:

- Yes, it is the best measure of national well being.
- Yes, provided we use real GDP and not nominal GDP.
- Uncertain, depending on whether GDP is rising or falling.
- No, it is not.

Quiz Start Time: 02:17 PM

Question # 13 of 15 (Start time: 02:30:55 PM)

When producers are unable to meet market demand for the product, this results as:

Select correct option:

- Surplus of goods
- Market failure
- Monopoly
- Shortage of good

Quiz Start Time: 02:17 PM

Question # 14 of 15 (Start time: 02:31:35 PM)

If the cost of parts of automobiles rises, then:

Select correct option:

- The demand curve for automobiles shifts to the right.
- The demand curve for automobiles shifts to the left.
- The supply curve for automobiles shifts to the right.
- The supply curve for automobiles shifts to the left.

Quiz Start Time: 03:27 PM

Question # 3 of 15 (Start time: 03:29:36 PM)

The slope of the saving function (or line) is the:

Select correct option:

- Average propensity to save.
- Average propensity to consume.
- Marginal propensity to save.
- Marginal propensity to consume.

Cute Killer

Quiz Start Time: 03:27 PM

Question # 4 of 15 (Start time: 03:30:04 PM)

GDP measures:

Select correct option:

- Expenditure on all final goods and services.
- Total income of everyone in the economy.
- Total value-added by all firms in the economy.
- All of the given options

Cute Killer

Quiz Start Time: 03:27 PM

Question # 5 of 15 (Start time: 03:30:50 PM)

If the current market price is above the market clearing level. We would expect:

Select correct option:

- A shortage to accumulate.
- A surplus to accumulate.
- Upward pressure on the current market price.
- Lower production during the next time period.

Quiz Start Time: 03:27 PM

Question # 6 of 15 (Start time: 03:32:02 PM)

Income elasticity of demand for the normal goods is usually:

Select correct option:

- Positive.
- Negative.
- Constant.
- One.

Cute Killer

Quiz Start Time: 03:27 PM

Question # 7 of 15 (Start time: 03:33:28 PM)

The branch of economics that studies the entire economy, such topics as aggregate production, unemployment and inflation is called

Select correct option:

- Micro economics
- Managerial economics
- Macro economics
- Financial economics

Quiz Start Time: 03:27 PM

Question # 8 of 15 (Start time: 03:34:52 PM)

Which of the following can be thought of as a barrier to entry?

Select correct option:

- Scale economies.
- Patents.
- Strategic actions by incumbent firms.
- All of the given options are true.

Cute Killer

Quiz Start Time: 03:27 PM

Question # 9 of 15 (Start time: 03:36:21 PM)

A normative economic statement:

Select correct option:

- Is a statement of fact.
- Is a hypothesis used to test economic theory.
- Is a statement of what ought to be, not what is.
- Is a statement of what will occur if certain assumptions are true.

Quiz Start Time: 03:27 PM

Question # 10 of 15 (Start time: 03:37:35 PM)

Profit is maximized when:

Select correct option:

- Marginal revenue product is greater than marginal input cost
- Marginal revenue product equals marginal input cost
- Marginal revenue product is less than marginal input cost
- Output is maximized

Cute Killer

Quiz Start Time: 03:27 PM

Question # 10 of 15 (Start time: 03:37:35 PM)

Profit is maximized when:

Select correct option:

- Marginal revenue product is greater than marginal input cost
- Marginal revenue product equals marginal input cost
- Marginal revenue product is less than marginal input cost
- Output is maximized

Quiz Start Time: 03:27 PM

Question # 12 of 15 (Start time: 03:40:35 PM)

The minimum price that a Government sets to support a desired commodity or service in a society is known as:

Select correct option:

- Price ceiling.
- Price rationing.
- Price floor.
- Price control.

Quiz Start Time: 03:27 PM

Question # 13 of 15 (Start time: 03:41:30 PM)

The study of economics basically focuses on:

Select correct option:

- For whom resources are allocated to increase efficiency.
- How society spends the income of individuals.
- How scarce resources are allocated to fulfill society's goals.
- What scarce resources are used to produce goods and services.

Cute Killer

Quiz Start Time: 03:27 PM

Question # 15 of 15 (Start time: 03:43:39 PM)

The price level in long run is determined by:

Select correct option:

- Aggregate supply.
- Aggregate demand.
- The government.
- Money supply.

Cute Killer