



ZIAUDDIN UNIVERSITY
EXAMINATION BOARD

RESOURCES FOR
“HSC-I ECONOMICS”
ZUEB EXAMINATIONS 2021



PREFACE:

The ZUEB examination board acknowledges the serious problems encountered by the schools and colleges in smooth execution of the teaching and learning processes due to sudden and prolonged school closures during the covid-19 spread. The board also recognizes the health, psychological and financial issues encountered by students due to the spread of covid-19.

Considering all these problems and issues the ZUEB Board has developed these resources based on the condensed syllabus 2021 to facilitate students in learning the content through quality resource materials.

The schools and students could download these materials from www.zueb.pk to prepare their students for the high quality and standardized ZUEB examinations 2021.

The materials consist of examination syllabus with specific students learning outcomes per topic, Multiple Choice Questions (MCQs) to assess different thinking levels, Constructed Response Questions (CRQs) with possible answers, Extended Response Questions (ERQs) with possible answers and learning materials.

ACADEMIC UNIT ZUEB:

1: Multiple Choice Questions:

The Multiple-Choice Questions with a stem, correct answer and 3 distractors or plausible wrong answers format is designed to assess the content and thinking of students from; R (Remembering); U(Understanding) and A (Applying, Analyzing, Evaluating, Creating). The questions are also classified into three difficulty levels accordingly; D (DIFFICULT), M (MODERATE), E (EASY)

HOW TO ATTEMPT AN MCQ:

MCQ:

- EACH MCQ HAS FOUR OPTIONS, A, B, C AND D. SELECT ONE OPTION AS THE BEST ANSWER AND FILL IN THE CIRCLE OF THAT OPTION, FOLLOWING THE INSTRUCTIONS GIVEN BY THE INVIGILATOR.
- USE BLACK PEN/PENCIL TO FILL IN THE CIRCLE.

Correct Way	Wrong Ways		
1	1	2	3
<input type="radio"/> a	<input type="radio"/> a	<input type="radio"/> a	<input type="radio"/> a
<input type="radio"/> b	<input type="radio"/> b	<input type="radio"/> b	<input type="radio"/> b
<input checked="" type="radio"/> c	<input type="radio"/> c	<input checked="" type="radio"/> c	<input checked="" type="radio"/> c
<input type="radio"/> d	<input type="radio"/> d	<input type="radio"/> d	<input type="radio"/> d

S #	MCQ'S MATERIAL	KEY	CL	DL
1.	Economics is a science of wealth is stated by: A. Adam Smith B. Alfred Marshall C. Lionel Robbins D. Irving Fisher	A	K/A	E
2.	This is not a Direct Tax: A. Income Tax B. Wealth Tax C. Sales Tax D. Property Tax	C	K/A	M
3.	Reward on capital is: A. Rent B. Wages C. Interest D. Profit	C	K/A	E
4.	The other name of Trade Cycle is	C	K/A	M

	<ul style="list-style-type: none"> a) Investment cycle b) Expenditure cycle c) Business cycle d) Income cycle 			
5.	<p>Large number of buyers and sellers is the essential characteristic of:</p> <ul style="list-style-type: none"> A. Monopoly B. Oligopoly C. Perfect Competition D. None of the above 	C	K/A	M
6.	<p>Annual average income of the population of a country is called?</p> <ul style="list-style-type: none"> A. Net national income B. Net domestic income C. Disposable income D. Per capita income 	A	K/A	M
7.	<p>If a point is located above the mid-point of demand curve, then Elasticity of Demand is:</p> <ul style="list-style-type: none"> A. Equal to unity B. Less than unity C. More than unity D. Infinity 	C	K/A	E
8.	<p>The ability to satisfy human wants is called:</p> <ul style="list-style-type: none"> A. Productivity B. Utility C. Usefulness D. Scarcity 	B	K/A	E
9.	<p>National Income does not include:</p> <ul style="list-style-type: none"> A. Profit B. Retained Earnings C. Transfer Payments D. Interest 	C	K/A	E
10.	<p>Burden of tax cannot transfer to any other?</p> <ul style="list-style-type: none"> A. Proportion tax B. Indirect tax C. Direct tax D. Regressive tax 	C	K/A	E
11.	<p>Problem of scarcity and choice is called?</p> <ul style="list-style-type: none"> A. Economic problem B. Social problem C. Political problem D. Ethical problem 	A	K/A	E
12.	<p>Microeconomics is related to</p> <ul style="list-style-type: none"> A. The whole economy B. The household purchase decisions C. The individual economic behavior D. None of the above 	C	K/A	M
13.	<p>Supply of land as a factor is:</p> <ul style="list-style-type: none"> A. Fixed B. Variable C. Zero D. Unlimited 	A	K/A	E
14.	<p>Change in total revenue is called?</p> <ul style="list-style-type: none"> A. Price B. Average revenue 	A	K/A	M

	C. Marginal revenue D. Average cost			
15.	A garbage truck driver is an example of which Factor of Production? A. Labor B. Land C. Entrepreneurship D. Capital	A	K/A	E
16.	Ceteris Paribus is defined as _____ A. Everything is variable B. Other things are equal/constant C. Both A & B D. None of the above		K/A	D
17.	Total utility is maximum where marginal utility is: A. Zero B. Positive C. Positive but increasing D. Negative	A	K/A	M
18.	Demand is related to: A. A given price B. A given time period C. Given price and period D. None of these	C	K/A	E
19.	Amount that producers bring to the market at any given time A. Quantity Supplied B. Supply Curve C. Quantity Demanded D. Production	A	K/A	D
20.	Which of the following statement is incorrect: A. Price and quantity supplied are directly related B. Law of supply deems factors other than price as constant C. Law of demand deems factors other than income as constant D. Advertisement effects quantity demanded	B	K/A	M
21.	Total utility curve: A. Always rises B. Always falls C. First rises then fall D. First falls then rises	C	K/A	E
22.	Of which type of cost is not faced in the long run? A. Total B. Variable C. Fixed D. Marginal	B	K/A	E
23.	Number of firms in monopoly? A. 1 B. 2 C. 3 D. Unlimited	A	K/A	E
24.	National income of a country is based on? A. The taxes earned by the State B. The sum of all factors of income C. Personal incomes of all the citizens D. Surplus of exports over imports	B	K/A	M
25.	It is transfer payment:	B	K/A	E

	<p>A. Payment of college tuition B. A social security payment C. Interest paid for a bank loan D. Payment for a leased car</p>											
26.	<p>Which of the following is referred by the phase trade balance? A. Income from export B. Equalization of imports and exports C. Income from imports D. All of them</p>	B	K/A	M								
27.	<p>Phases of trade cycle are: A. One B. Two C. Three D. Four</p>	D	K/A	E								
28.	<p>Which of the following is international trade? A. Trade between provinces B. Trade between regions C. Trade between countries D. (b) and (c) of above</p>	D	K/A	M								
29.	<p>Which of the following has is NOT the quality of a good tax system? A. Canon of equality B. Canon of certainty C. Political advantage D. Instrument of Economic growth</p>	C	K/A	M								
30.	<p>The government can collect funds from: A. Taxes B. Fees C. Prices of public goods D. All the three</p>	D	K/A	E								
31.	<p>It is drawback of protection: A. Consumers have to pay higher prices B. Producers get higher profits C. Quality of goods may be affected D. All of the above</p>	D	K/A	E								
32.	<p>Division of labor is: A. Advantageous B. Harmful C. Neither advantageous nor harmful D. Both advantageous as well as harmful</p>	D	K/A	D								
33.	<p>What is the meaning of word okio?</p> <table border="1" data-bbox="231 1556 1189 1657"> <tr> <td>a. Busines</td> <td>b. House Hold</td> <td>c. Governme</td> <td>d. Welfa</td> </tr> <tr> <td>ss</td> <td></td> <td>nt</td> <td>re</td> </tr> </table>	a. Busines	b. House Hold	c. Governme	d. Welfa	ss		nt	re	B	K/A	M
a. Busines	b. House Hold	c. Governme	d. Welfa									
ss		nt	re									
34.	<p>What is the meaning of word nomious?</p> <table border="1" data-bbox="231 1713 1189 1814"> <tr> <td>a. To Manage</td> <td>b. To Enhance</td> <td>c. To protect</td> <td>d. To describe</td> </tr> </table>	a. To Manage	b. To Enhance	c. To protect	d. To describe	A	K/A	E				
a. To Manage	b. To Enhance	c. To protect	d. To describe									
35.	<p>Which of the following words is suitable for human wants?</p> <table border="1" data-bbox="231 1870 1189 1915"> <tr> <td>a. Limited</td> <td>b. Unlimited</td> <td>c. Legal</td> <td>d. Illegal</td> </tr> </table>	a. Limited	b. Unlimited	c. Legal	d. Illegal	B	K/A	M				
a. Limited	b. Unlimited	c. Legal	d. Illegal									

36. Which of the following words is suitable for resources?	C	K/A	E				
<table border="1" data-bbox="229 143 1187 199"> <tr> <td>a. Legal</td> <td>b. Unlimited</td> <td>c. Limited</td> <td>d. Illegal</td> </tr> </table>	a. Legal	b. Unlimited	c. Limited	d. Illegal			
a. Legal	b. Unlimited	c. Limited	d. Illegal				
37. Which one of the following economists is called Father of Economics?	B	K/A	M				
<table border="1" data-bbox="229 288 1187 400"> <tr> <td>a. Alfred Marshal</td> <td>b. Adam Smith</td> <td>c. Lionel Robbins</td> <td>d. J.B. Say</td> </tr> </table>	a. Alfred Marshal	b. Adam Smith	c. Lionel Robbins	d. J.B. Say			
a. Alfred Marshal	b. Adam Smith	c. Lionel Robbins	d. J.B. Say				
38. Which of the following book is written by Adam Smith?	A	K/A	E				
<table border="1" data-bbox="229 445 1187 602"> <tr> <td>a. Nature and Causes of Wealth</td> <td>b. Significance of Economics</td> <td>c. Principles of Economics</td> <td>d. Laws of Economics</td> </tr> </table>	a. Nature and Causes of Wealth	b. Significance of Economics	c. Principles of Economics	d. Laws of Economics			
a. Nature and Causes of Wealth	b. Significance of Economics	c. Principles of Economics	d. Laws of Economics				
39. In which year the book of Adam Smith was published?	C	K/A	E				
<table border="1" data-bbox="229 647 1187 703"> <tr> <td>a. 1890</td> <td>b. 1930</td> <td>c. 1776</td> <td>d. 1928</td> </tr> </table>	a. 1890	b. 1930	c. 1776	d. 1928			
a. 1890	b. 1930	c. 1776	d. 1928				
40. Which of the following economists has proposed Wealth concept of economics?	B	K/A	M				
<table border="1" data-bbox="229 792 1187 904"> <tr> <td>a. Hicks</td> <td>b. Adam Smith</td> <td>c. Alfred Marshal</td> <td>d. Lionel Robbins</td> </tr> </table>	a. Hicks	b. Adam Smith	c. Alfred Marshal	d. Lionel Robbins			
a. Hicks	b. Adam Smith	c. Alfred Marshal	d. Lionel Robbins				
41. In which year the book of Alfred Marshal was published?	A	K/A	E				
<table border="1" data-bbox="229 949 1187 1005"> <tr> <td>a. 1890</td> <td>b. 1930</td> <td>c. 1776</td> <td>d. 1928</td> </tr> </table>	a. 1890	b. 1930	c. 1776	d. 1928			
a. 1890	b. 1930	c. 1776	d. 1928				
42. Which of the following book has been written by Alfred Marshal?	A	K/A	E				
<table border="1" data-bbox="229 1050 1187 1207"> <tr> <td>a. Principles of Economics</td> <td>b. Nature and Significance of Economics</td> <td>c. Modern Economics</td> <td>d. Nature and Causes of Wealth.</td> </tr> </table>	a. Principles of Economics	b. Nature and Significance of Economics	c. Modern Economics	d. Nature and Causes of Wealth.			
a. Principles of Economics	b. Nature and Significance of Economics	c. Modern Economics	d. Nature and Causes of Wealth.				
43. Which of the following economists has introduced concept of Material Sciences in economics?	A	K/A	E				
<table border="1" data-bbox="229 1296 1187 1408"> <tr> <td>a. Alfred Marshal</td> <td>b. Adam Smith</td> <td>c. Hicks</td> <td>d. Lionel Robbins</td> </tr> </table>	a. Alfred Marshal	b. Adam Smith	c. Hicks	d. Lionel Robbins			
a. Alfred Marshal	b. Adam Smith	c. Hicks	d. Lionel Robbins				
44. In which year book "Significance of Economics by Lionel Robins" was published?	C	K/A	E				
<table border="1" data-bbox="229 1498 1187 1576"> <tr> <td>a. 1890</td> <td>b. 1776</td> <td>c. 1930</td> <td>d. 1928</td> </tr> </table>	a. 1890	b. 1776	c. 1930	d. 1928			
a. 1890	b. 1776	c. 1930	d. 1928				
45. Which of the following economists has introduced "Scarcity and Choices" concept in economics?	A	K/A	E				
<table border="1" data-bbox="229 1666 1187 1778"> <tr> <td>a. Lionel Robins</td> <td>b. Alfred Marshal</td> <td>c. Adam Smith</td> <td>d. J.B. Say</td> </tr> </table>	a. Lionel Robins	b. Alfred Marshal	c. Adam Smith	d. J.B. Say			
a. Lionel Robins	b. Alfred Marshal	c. Adam Smith	d. J.B. Say				
46. Which of the following book has been written by Lionel Robbins?	B	K/A	M				

a. Principles of Economics	b. Nature and significance of Economics	c. Nature and Causes of Wealth	d. Modern Economics			
47. In Lionel Robbins definition of economics what does the word “ends” mean?				B	K/A	M
a. Limited Resources	b. Unlimited Wants	c. Hidden Resources	d. Sacrificed Wants.			
48. Which of the following concept would be dealt in “Macro Economics”?				C	K/A	E
a. Individual Demand of a Product	b. Supply of a Particular Commodity	c. Aggregate Demand of entire economy	d. Utility of a consumer.			
49. Which of the following practice would not be considered as part of “Macro Economics”?				C	K/A	E
a. Formulati on of tax policies for the country	b. Computati on of Gross Domestic Product of a country	c. Co st and revenue analysis by a firm for particular product	d. Formulati on of monetary and fiscal policies for the country.			
50. Which of the following word best describes “satisfaction” in economics?				B	K/A	M
a. Demand	b. Utility	c. Satiety	d. Profit			
51. The point where marginal utility becomes “Zero” with maximum “total utility” is known as:				C	K/A	E
a. Point of Scarcity	b. Point of Satisfaction	c. Point of Satiety	d. Point of Diversity			
52. Additional utility derives by a consumer with the use of additional unit of any commodity is called:				A	K/A	E
a. Marginal Utility	b. Total Utility	c. Negative Utility	d. Point of Satiety			
53. In case of Normal goods, what is the relation of marginal utility with the use of additional unit of a product?				B	K/A	M
a. Direct	b. Inverse	c. Constant	d. Linear			

<p>54. Which of the following economists has proposed law of equi-marginal utility?</p> <table border="1" data-bbox="233 199 1187 300"> <tr> <td>a. Alfred Marshal</td> <td>b. Adam Smith</td> <td>c. Lionel Robbins</td> <td>d. Allen and Hicks</td> </tr> </table>	a. Alfred Marshal	b. Adam Smith	c. Lionel Robbins	d. Allen and Hicks	A	K/A	E
a. Alfred Marshal	b. Adam Smith	c. Lionel Robbins	d. Allen and Hicks				
<p>55. Which of the following is one of the limitations of law of diminishing marginal utility.</p> <table border="1" data-bbox="233 454 1187 555"> <tr> <td>a. Normal Goods</td> <td>b. Inferior Goods</td> <td>c. Perishable goods</td> <td>d. Intoxicants</td> </tr> </table>	a. Normal Goods	b. Inferior Goods	c. Perishable goods	d. Intoxicants	D	K/A	E
a. Normal Goods	b. Inferior Goods	c. Perishable goods	d. Intoxicants				
<p>56. Which of the following can be an example of inferior goods in normal life?</p> <table border="1" data-bbox="233 663 1187 763"> <tr> <td>a. Garments</td> <td>b. Chocolates</td> <td>c. Cosmetics</td> <td>d. Public Transport</td> </tr> </table>	a. Garments	b. Chocolates	c. Cosmetics	d. Public Transport	D	K/A	E
a. Garments	b. Chocolates	c. Cosmetics	d. Public Transport				
<p>57. Which of the following word best describes the goods that can be used in place of other goods?</p> <table border="1" data-bbox="233 869 1187 913"> <tr> <td>a. Inferior</td> <td>b. Rare</td> <td>c. Substitutes</td> <td>d. Superior</td> </tr> </table>	a. Inferior	b. Rare	c. Substitutes	d. Superior	C	K/A	E
a. Inferior	b. Rare	c. Substitutes	d. Superior				
<p>58. On which of the following goods does law of demand apply?</p> <table border="1" data-bbox="233 965 1187 1064"> <tr> <td>a. Normal Goods</td> <td>b. Inferior Goods</td> <td>c. Rare Goods</td> <td>d. Giffen Goods</td> </tr> </table>	a. Normal Goods	b. Inferior Goods	c. Rare Goods	d. Giffen Goods	A	K/A	E
a. Normal Goods	b. Inferior Goods	c. Rare Goods	d. Giffen Goods				
<p>59. According to law of demand, what is the relation between price and demand of a normal good?</p> <table border="1" data-bbox="233 1169 1187 1214"> <tr> <td>a. Constant</td> <td>b. Linear</td> <td>c. Inverse</td> <td>d. Direct</td> </tr> </table>	a. Constant	b. Linear	c. Inverse	d. Direct	C	K/A	E
a. Constant	b. Linear	c. Inverse	d. Direct				
<p>60. In case of normal goods what will be the slope of demand curve?</p> <table border="1" data-bbox="233 1274 1187 1364"> <tr> <td>a. Upwards</td> <td>b. Downward</td> <td>c. Parallel to X Axis</td> <td>d. Parallel to Y- Axis</td> </tr> </table>	a. Upwards	b. Downward	c. Parallel to X Axis	d. Parallel to Y- Axis	B	K/A	M
a. Upwards	b. Downward	c. Parallel to X Axis	d. Parallel to Y- Axis				
<p>61. What will be effect on demand of Pepsi, with a decrease in price of Coke?</p> <table border="1" data-bbox="233 1480 1187 1626"> <tr> <td>a. Demand will Increase</td> <td>b. Demand will remain constant</td> <td>c. Demand will Decrease</td> <td>d. Pepsi will be obsolete.</td> </tr> </table>	a. Demand will Increase	b. Demand will remain constant	c. Demand will Decrease	d. Pepsi will be obsolete.	C	K/A	E
a. Demand will Increase	b. Demand will remain constant	c. Demand will Decrease	d. Pepsi will be obsolete.				
<p>62. Which of the following would be considered as complementary good for an Air Conditioner?</p> <table border="1" data-bbox="233 1731 1187 1888"> <tr> <td>a. Water Supply in Area</td> <td>b. Fuel Supply in the area</td> <td>c. Electricity Supply in areas</td> <td>d. Natural gas supply in the area</td> </tr> </table>	a. Water Supply in Area	b. Fuel Supply in the area	c. Electricity Supply in areas	d. Natural gas supply in the area	C	K/A	E
a. Water Supply in Area	b. Fuel Supply in the area	c. Electricity Supply in areas	d. Natural gas supply in the area				
<p>63. Degree of responsiveness of change in price to change in demand of a product is called:</p>	C	K/A	E				

a. Demand	b. Supply	c. Elasticity of Demand	d. Elasticity of Supply			
64. When demand of a product decreases with the same ratio of its price increase, its elasticity would be termed as:						
a. Highly Elastic	b. Unitary Elastic	c. Perfectly Elastic	d. Commercial Banks	B	K/A	M
65. When demand of a product decreases with greater proportion than its price increase, its elasticity would be termed as:						
a. Unitary Elastic	b. Highly Elastic	c. Perfectly Elastic	d. In-elastic	B	K/A	E
66. When demand of a product decreases with lesser proportion than its price increase, its elasticity would be termed as:						
a. Unitary Elastic	b. Highly Elastic	c. Perfectly Elastic	d. In-elastic	D	K/A	E
67. What would be the slope of graph in case of "Perfectly Elastic Demand"?						
a. Downward	b. Upward	c. Parallel to X- Axis	d. Parallel to Y- Axis	C	K/A	E
68. What would be the slope of graph in case of "Perfectly In- Elastic Demand"?						
a. Downward	b. Upward	c. Parallel to X- Axis	d. Parallel to Y- Axis	D	K/A	E
69. What would be the effect on supply of a product if its price increases?						
a. Supply will remain constant	b. Supply will decrease	c. Supply will Increase	d. Supply will be stopped	C	K/A	E
70. What is the slope of supply curve in case of normal goods?						
a. Downward	b. Upward	c. Parallel to X- Axis	d. Parallel to Y- Axis	B	K/A	M
71. The point where demand of a product becomes equal to its supply will be termed as:						
a. Satisfactory Point	b. Equilibrium Point	c. Surplus Point	d. Shortage Point	B	K/A	M
72. Which of the following will be the best option to bring price stability for a product having more demand with shortage of supply in the market?						
				D	K/A	E

a. Suppliers will start to quit	b. Consumer will start decreasing their demand	c. Supplier will decrease prices of the product	d. New suppliers will enter into the market.			
73. Which of the following is the factor income of Land?						
a. Rent	b. Wage	c. Profit	d. Interest	A	K/A	E
74. Which of the following is the factor income of Labour?						
a. Rent	b. Wage	c. Profit	d. Interest	B	K/A	M
75. Which of the following is the factor income of Entrepreneur?						
a. Rent	b. Wage	c. Profit	d. Interest	C	K/A	E
76. Which of the following is the factor income of Capital?						
a. Rent	b. Wage	c. Profit	d. Interest	D	K/A	E
77. Which one of the following is a feature of firm running in short run?						
a. Firm will be incurring losses	b. All factors of production are variable	c. Firm will be enjoying supernormal profit	d. At-least one factors of production remains fix.	D	K/A	E
78. Which one of the following is a feature of firm running in long run?						
a. Firm will be incurring losses	b. All factors of production are variable	c. Firm will be enjoying supernormal profit	d. At-least one factors of production remains fix.	B	K/A	M
79. Which of the following best describes fixed cost?						
a. It changes with the level of production	b. It is not effected by the level of production	c. It is considered as direct cost.	d. It is considered as in-direct.	B	K/A	M
80. Elasticity of demand under perfect competition is always:						
a. In elastic	b. Elastic	c. Perfectly Elastic	d. Perfectly In-Elastic	C	K/A	E
81. Under which of the following market scenario "K-Electric" is working.						
a. Perfect Competition	b. Imperfect Competition	c. Oligopoly	d. Monopoly	D	K/A	E

<p>82. The competition where large numbers of producers are producing substitutes is termed as:</p> <table border="1" data-bbox="231 197 1181 300"> <tr> <td>a. Perfect Competition</td> <td>b. Oligopoly</td> <td>c. Imperfect Competition</td> <td>d. Duopoly</td> </tr> </table>	a. Perfect Competition	b. Oligopoly	c. Imperfect Competition	d. Duopoly	C	K/A	E
a. Perfect Competition	b. Oligopoly	c. Imperfect Competition	d. Duopoly				
<p>83. Product method of calculating national income is also known as:</p> <table border="1" data-bbox="231 353 1181 501"> <tr> <td>a. Income Method</td> <td>b. Value Added Method</td> <td>c. Expenditure Method</td> <td>d. Distribution Method</td> </tr> </table>	a. Income Method	b. Value Added Method	c. Expenditure Method	d. Distribution Method	B	K/A	M
a. Income Method	b. Value Added Method	c. Expenditure Method	d. Distribution Method				
<p>84. What will the result when “Income from Abroad” be added in “Gross Domestic Product”</p> <table border="1" data-bbox="231 609 1181 757"> <tr> <td>a. National income at factor cost</td> <td>b. National income at Market Price</td> <td>c. Gross National Product</td> <td>d. Personal Income</td> </tr> </table>	a. National income at factor cost	b. National income at Market Price	c. Gross National Product	d. Personal Income	C	K/A	E
a. National income at factor cost	b. National income at Market Price	c. Gross National Product	d. Personal Income				
<p>85. In order to achieve National income at market price which of the following is subtracted from gross national product?</p> <table border="1" data-bbox="231 855 1181 958"> <tr> <td>a. Direct Taxes</td> <td>b. Income from Abroad</td> <td>c. Depreciation</td> <td>d. Indirect Taxes</td> </tr> </table>	a. Direct Taxes	b. Income from Abroad	c. Depreciation	d. Indirect Taxes	C	K/A	E
a. Direct Taxes	b. Income from Abroad	c. Depreciation	d. Indirect Taxes				
<p>86. Which of the following is not a direct tax?</p> <table border="1" data-bbox="231 1012 1181 1115"> <tr> <td>a. Income</td> <td>b. Property</td> <td>c. General Sales</td> <td>d. Wealth</td> </tr> </table>	a. Income	b. Property	c. General Sales	d. Wealth	C	K/A	E
a. Income	b. Property	c. General Sales	d. Wealth				
<p>87. Which of the following term is used for payments received without any exchange of goods and services</p> <table border="1" data-bbox="231 1214 1181 1317"> <tr> <td>a. Balance Payment</td> <td>b. Legal Payments</td> <td>c. Transfer Payments</td> <td>d. Illegal Payments</td> </tr> </table>	a. Balance Payment	b. Legal Payments	c. Transfer Payments	d. Illegal Payments	C	K/A	E
a. Balance Payment	b. Legal Payments	c. Transfer Payments	d. Illegal Payments				
<p>88. Difference of total exports and total imports of a country for one year is known as:</p> <table border="1" data-bbox="231 1415 1181 1518"> <tr> <td>a. Balance of Trade</td> <td>b. Balance of Payments</td> <td>c. Balance of Exchange</td> <td>d. Balance of Funds</td> </tr> </table>	a. Balance of Trade	b. Balance of Payments	c. Balance of Exchange	d. Balance of Funds	A	K/A	E
a. Balance of Trade	b. Balance of Payments	c. Balance of Exchange	d. Balance of Funds				
<p>89. Which of the following would be a reason for decrease in foreign exchange reserve of a country.</p> <table border="1" data-bbox="231 1617 1181 1778"> <tr> <td>a. Increase in exports</td> <td>b. Increase in local production</td> <td>c. Increase in imports</td> <td>d. Increase in Foreign Investment</td> </tr> </table>	a. Increase in exports	b. Increase in local production	c. Increase in imports	d. Increase in Foreign Investment	C	K/A	E
a. Increase in exports	b. Increase in local production	c. Increase in imports	d. Increase in Foreign Investment				
<p>90. What will be result of adding final value of all finished products produced within the country?</p>	B	K/A	M				

a. Gross National Product	b. Gross Domestic Product	c. Net National Product	d. Personal Disposable Income			
91. What will be the result on Gross Domestic Product if prices of local products go on higher side:				A	K/A	E
a. GDP will show an increase	b. GDP will show a decrease	c. GDP will remain unchanged	d. Increased amount will be omitted from GDP			
92. Which of the following measures will be taken by government in order to improve balance of payment?				D	K/A	E
a. Import will be increases	b. Local production will be decreased	c. Exports will be restricted	d. Imports will be restricted.			
93. Which of the following institution has monopoly over currency issuance?				B	K/A	M
a. Commercial Bank	b. Central Bank	c. Federal Board of Revenue	d. Federal Investigation Agency			
94. What will be result of increase in money supply on inflation?				A	K/A	E
a. Inflation will increase	b. Inflation will decrease	c. Inflation will remain unchanged	d. Inflation will be controlled			
95. Which of the following economists has given basic cannons of taxation.				B	K/A	M
a. Alfred Marshal	b. Adam Smith	c. Lionel Robins	d. J.B. Say			
96. "Tax collection should be from all sectors of economy", what will be the best cannon for this statement?				D	K/A	E
a. Cannon of Economy	b. Cannon of Simplicity	c. Cannon of Equality	d. Cannon of Diversity			
97. What would be the GNP of a country having GDP of \$25(M) and depreciation \$1.5 (M) on capital goods				C	K/A	E
a. \$ 26.5(M)	b. \$ 24.5 (M)	c. \$ 23.5 (M)	d. \$ 25 (M)			

98. Which one of the following is a feature of an indirect tax?				C	K/A	E
a. Imposed on High Income group	b. Imposed on Low income group	c. Imposed equally on all sectors involved.	d. Imposed once in a year.			
99. Which of the following step cannot be taken by government in order to raise public fiancé?				A	K/A	E
a. Stopping monthly salary of government employees	b. Imposing more taxes.	c. Borrowing from central bank of the country	d. Borrowing from international markets			
100. Which one of the following will result an increase in foreign reserves of the country?				D	K/A	E
a. More imports	b. Less production	c. Less exports	d. Foreign Loans.			