



EXAMINATION MATERIAL ZUEB - 2022

ECONOMICS XI (COMMERCE)

SECTION "A" MULTIPLE CHOICE QUESTION

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| CHAPTER 1 NATURE AND SCOPE OF ECONOMICS | SUB TOPICS | <ul style="list-style-type: none">• Definition, advantages and disadvantages of Adam Smith's definition of Economics• Definition, advantages and disadvantages of Alfred Marshall's definition of Economics• Definition, advantages and disadvantages of Lionel Robbins's definition of Economics• Micro-Economics and Macro-Economics |
| | MULTIPLE CHOICE QUESTIONS | <ol style="list-style-type: none">1. Who is the pioneer of economics? (a) Robbins (b) Marshall (c) Adam Smith (d) Keynes2. Who wrote the "Principles of Economics"? (a) Adam Smith (b) Robins (c) Marshall (d) Keynes3. Consumer's goods are used by a consumer? (a) Directly (b) Indirectly (c) Now and then (d) Never4. Who introduced the economics as a science? (a) Marshall (b) Robbins (c) Adam Smith (d) Keynes5. Problem of scarcity and choice is called? (a) Economic problem (b) Social problem (c) Political problem (d) Ethical problem6. Human wants are _____? (a) Always fixed (b) Limited (c) Likely to decrease over time (d) Unlimited7. What was the title of famous book of Marshall? (a) The principles of Economics (b) Value and Capital (c) Economics of Labor (d) History of Economics |

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| | | <p>8. Microeconomics concentrates:</p> <p>(a) In only poor countries</p> <p>(b) In a country that uses resources inefficiently</p> <p>(c) In all countries of the world</p> <p>(d) When society produces unimportant or silly goods</p> <p>9. Macroeconomic deals with:</p> <p>(a) How to buy groceries</p> <p>(b) Aggregate economic activity</p> <p>(c) Establishment of a new firm</p> <p>(d) Industrial activity</p> |
| CHAPTER 2 | SUB TOPICS | <ul style="list-style-type: none"> • Definition of Production • Factors of Production and its characteristics • Relative importance of Factors of Production • Meaning of Division of Labor its Advantages and Disadvantages |
| FACTORS OF PRODUCTION | | |
| | MULTIPLE CHOICE QUESTIONS | <p>1. Land, labor, capital, and entrepreneurship</p> <p>(a) Economy</p> <p>(b) Infrastructure</p> <p>(c) Factors of production</p> <p>(d) Capital</p> <p>2. Total production divided by labor is?</p> <p>(a) Marginal production</p> <p>(b) Total production</p> <p>(c) Average production</p> <p>(d) None</p> <p>3. Factors of production are:</p> <p>(a) One</p> <p>(b) Two</p> <p>(c) Three</p> <p>(d) Four</p> <p>4. Reward of labor is called?</p> <p>(a) Wages</p> <p>(b) Rent</p> <p>(c) Interest</p> <p>(d) Profit</p> <p>5. Supply of the factors of production:</p> <p>(a) Changes opposite to price</p> <p>(b) Changes in direction of price</p> <p>(c) Does not change with the price</p> <p>(d) Remain unchanged with the price</p> <p>6. A garbage truck driver is an example of which Factor of Production?</p> <p>(a) Labor</p> <p>(b) Land</p> <p>(c) Entrepreneurship</p> <p>(d) Capital</p> |

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| | | <p>7. Which factor of production would you consider a lawn mower?</p> <p>(a) Labor (b) Land (c) Entrepreneurship (d) Capital</p> |
| <p>CHAPTER 3</p> <p>DEMAND AND SUPPLY</p> | <p>SUB TOPICS</p> | <ul style="list-style-type: none"> • Definition of Demand • Law of Demand • Change in Quantity Demanded with explanation and diagram • Change in Demand with explanation and diagram • Definition of Supply • Law of Supply • Change in Quantity Supplied with explanation and diagram • Change in Supply with explanation and diagram • Concept of Market Price and Buyer's Market and Seller's Market |
| | <p>MULTIPLE CHOICE QUESTIONS</p> | <p>1. Slope of demand curve is normally?</p> <p>(a) Negative (b) Positive (c) Negative & Positive (d) None</p> <p>2. When price decreases then quantity demanded?</p> <p>(a) Increases (b) Decreases (c) Zero (d) Constant</p> <p>3. When price falls then quantity supplied:</p> <p>(a) Extends (b) Contracts (c) Zero (d) Constant</p> <p>4. Slope of supply curve is?</p> <p>(a) Negative (b) Positive (c) Zero (d) Fixed</p> <p>5. Ceteris Paribus is defined as _____</p> <p>(a) Everything is variable (b) Other things are equal/constant (c) Factors can change (d) Factors can change if organization needs</p> <p>6. The equilibrium price clears the market it is the price at which _____?</p> <p>(a) Everything is sold (b) Buyers spend all their money (c) Quantity demanded equals quality supplied (d) Sellers collect all the money</p> |

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| | | <p>7. A demand curve cannot shift because changing?</p> <p>(a) Incomes (b) Prices of related goods (c) Tastes (d) Prices of the good</p> <p>8. Demand is related to:</p> <p>(a) A given price (b) A given time period (c) Given price and period (d) Given person</p> <p>9. The law of demand states that:</p> <p>(a) a decrease in the price of a good shifts the demand curve leftward. (b) other things remaining the same, the higher the price of a good, the smaller is the quantity demanded. (c) other thing remaining the same, the higher the price of a good, the larger is the quantity demanded. (d) an increase in the price of a good shifts the demand curve leftward.</p> <p>10. At price above market price, quantity demanded is _____ quantity supplied.</p> <p>(a) equal to (b) more than (c) less than (d) intersects</p> <p>11. At price below market price, quantity demanded is _____ quantity supplied.</p> <p>(a) equal to (b) more than (c) less than (d) intersects</p> |
| <p>CHAPTER 4</p> <p>ELASTICITY OF DEMAND AND SUPPLY</p> | <p>SUB TOPICS</p> | <ul style="list-style-type: none"> • Price Elasticity of Demand • Degrees of Price Elasticity of Demand with explanation and diagram • Price Elasticity of Supply • Degrees of Price Elasticity of Supply with explanation and diagram |
| | <p>MULTIPLE CHOICE QUESTIONS</p> | <p>1. Elasticity of Demand for basic necessities is?</p> <p>(a) More (b) Less (c) Perfect (d) All</p> <p>2. Elasticity of demand for industrial goods?</p> <p>(a) More (b) Less (c) Equal (d) Zero</p> |

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| | | <p>3. Suppose that a 2% increase in price results in a 6% decrease in quantity demanded. Demand will be:</p> <p>(a) Elastic</p> <p>(b) Inelastic</p> <p>(c) Unit Elastic</p> <p>(d) Perfectly Elastic</p> <p>4. Suppose that a 7% increase in price results in a 6% decrease in quantity demanded. Demand will be:</p> <p>(a) Elastic</p> <p>(b) Inelastic</p> <p>(c) Unit Elastic</p> <p>(d) Perfectly Elastic</p> <p>5. The price elasticity of demand measures</p> <p>(a) the slope of a budget curve.</p> <p>(b) how often the price of a good changes.</p> <p>(c) the responsiveness of the quantity demanded to changes in price.</p> <p>(d) how sensitive the quantity demanded is to changes in demand.</p> <p>6. The income elasticity of demand measures</p> <p>(a) the slope of a budget curve.</p> <p>(b) how often the price of a good changes.</p> <p>(c) the responsiveness of the quantity demanded to changes in income.</p> <p>(d) how sensitive the quantity demanded is to changes in demand.</p> <p>7. The cross elasticity of demand measures</p> <p>(a) the slope of a budget curve.</p> <p>(b) how often the price of a good changes.</p> <p>(c) the responsiveness of the quantity demanded to changes in price of other goods.</p> <p>(d) how sensitive the quantity demanded is to changes in demand.</p> |
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| <p>CHAPTER 5</p> <p>UTILITY ANALYSIS</p> | <p>SUB TOPICS</p> | <ul style="list-style-type: none"> • Definition of Utility • Definition of Total Utility • Definition of Marginal Utility • Law of Diminishing Marginal Utility |
| | <p>MULTIPLE CHOICE QUESTIONS</p> | <ol style="list-style-type: none"> 1. When total utility is increasing then marginal utility is? <ol style="list-style-type: none"> (a) Negative (b) Positive (c) Decreases (d) Zero 2. At point of saturation total utility is maximum but marginal utility is? <ol style="list-style-type: none"> (a) Less (b) Negative (c) Zero (d) Very much 3. Slope of marginal utility curve is? <ol style="list-style-type: none"> (a) Negative (b) Positive (c) Zero (d) Fixed 4. Utility refers to: <ol style="list-style-type: none"> (a) Want satisfying power of a commodity (b) Price paid by the consumer (c) Satisfaction more than price (d) Real satisfaction more than price 5. This is not the limitation of Law of Diminishing Marginal Utility: <ol style="list-style-type: none"> (a) Reasonable quantity (b) Reasonable time (c) Rational consumer (d) Income of the consumer 6. The increase in the quantity consumed of the good by the consumer beyond the satiation point has a/an _____ effect on the total utility. <ol style="list-style-type: none"> (a) Income (b) Positive (c) Adverse (d) Substitution 7. Law of Equi-Marginal Utility is also known as: <ol style="list-style-type: none"> (a) Law of Supply (b) Law of Substitution (c) Law of Diminishing Marginal Utility (d) Law of Diminishing Returns |

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| <p>CHAPTER 6</p> <p>OUTPUT, COST AND REVENUE ANALYSIS AND MARKET COMPETITIONS</p> | <p>SUB TOPICS</p> | <ul style="list-style-type: none"> • Definition of Total Output, Marginal Output, Average Output • Definition of Fixed Cost, Variable Cost, Total Cost, Marginal Cost, Average Cost • Definition of Total Revenue, Marginal Revenue, Average Revenue • Law of Increasing Returns • Law of Constant Returns • Law of Diminishing Returns • Characteristics of Perfect Competition • Characteristics of Monopoly |
| | <p>MULTIPLE CHOICE QUESTIONS</p> | <ol style="list-style-type: none"> 1. Major aim of a firm is? <ol style="list-style-type: none"> (a) Profit earning (b) Employment provision (c) Production (d) More National income 2. Change in the total cost due to next production? <ol style="list-style-type: none"> (a) Average cost (b) Total Utility (c) Marginal cost (d) Marginal Utility 3. Marginal return, according to the law of diminishing return? <ol style="list-style-type: none"> (a) Increases (b) Decreases (c) Constant (d) Negative 4. Average fixed cost, according to the law of diminishing return? <ol style="list-style-type: none"> (a) Falls (b) Increases (c) Constant (d) Positive 5. No close substitute of the product? <ol style="list-style-type: none"> (a) Vegetable market (b) Grain market (c) Perfect competition (d) Monopoly 6. Average revenue, marginal revenue and price are equal in? <ol style="list-style-type: none"> (a) Perfect competition (b) Monopoly (c) Consumer's equilibrium (d) Firm's equilibrium 7. Other name of law of increasing return is? <ol style="list-style-type: none"> (a) Law of diminishing cost (b) Law of increasing cost (c) Law of constant return (d) Law of Supply |

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| | <p>8. In which time period all four factors of production are variable?</p> <p>(a) Short run (b) 10 years (c) 20 years (d) Long run</p> <p>9. Economies of scale represents the:</p> <p>(a) Rising average cost (b) Constant average cost (c) Falling average cost (d) Positive average cost</p> <p>10. In perfect competition, Firm maximizes its profit when total cost is _____ total revenue.</p> <p>(a) Greater than (b) Lower than (c) Equal to (d) Less than and equal to</p> <p>11. In Monopoly the demand curve of firm is _____.</p> <p>(a) Upward sloping (b) Downward sloping (c) Horizontal (d) Vertical</p> <p>12. Name a market that is characterized by a small number of producers who often act together to control the supply of a particular good and its market price?</p> <p>(a) Oligopoly (b) Monopoly (c) Oligopsony (d) Grey market</p> <p>13. Under perfect competition:</p> <p>(a) $AC = AVC$ (b) $AR = AC$ (c) $AR = MC$ (d) $AR = MR$</p> <p>14. A firm should shut down in the short run if it is not covering its:</p> <p>(a) Variable cost (b) Fixed cost (c) Total cost (d) Explicit cost (money outlays)</p> <p>15. The following are key features of a monopoly, EXCEPT:</p> <p>(a) diseconomies of scale. (b) no close substitutes. (c) influence over price. (d) barriers to entry.</p> <p>16. A monopoly firm, in the long run, is earning:</p> <p>(a) Normal profit (b) Super normal profit (c) Abnormal loss (d) Exiting the market</p> |
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| | | <p>17. A perfectly competitive firm, in the long run, is earning:</p> <p>(a) Normal profit</p> <p>(b) Super normal profit</p> <p>(c) Abnormal loss</p> <p>(d) Exiting the market</p> <p>18. Price discrimination cannot be practiced by:</p> <p>(a) Monopoly</p> <p>(b) Perfect Competition</p> <p>(c) Monopolistic Competition</p> <p>(d) Oligopoly</p> <p>19. A barrier to entry is:</p> <p>(a) an open door.</p> <p>(b) the economic term for diseconomies of scale.</p> <p>(c) illegal in most markets.</p> <p>(d) anything that protects a firm from the arrival of new competitors.</p> |
| <p>CHAPTER 7</p> <p>NATIONAL INCOME AND ITS MEASUREMENT</p> | <p>SUB TOPICS</p> | <ul style="list-style-type: none"> • Concept of Gross Domestic Product • Concept of Gross National Product • Concept of Net National Product • Concept of National Income • Concept of Personal Income • Concept of Disposable Income • Methods of Measuring National Income • Circular Flow of National Income (Two Sector Economy) |
| | <p>MULTIPLE CHOICE QUESTIONS</p> | <p>1. Gross national product minus depreciation is equal to?</p> <p>(a) Gross domestic product</p> <p>(b) Net national product</p> <p>(c) National income</p> <p>(d) Personal income</p> <p>2. Payment made without exchange of goods and services?</p> <p>(a) Legal payment</p> <p>(b) Transfer payment</p> <p>(c) Monetary payment</p> <p>(d) Gratuity payment</p> <p>3. Annual average income of the population of a country is called?</p> <p>(a) Net national income</p> <p>(b) Net domestic income</p> <p>(c) Disposable income</p> <p>(d) Per capita income</p> <p>4. Period for national income is?</p> <p>(a) One year</p> <p>(b) Two year</p> <p>(c) Three year</p> <p>(d) Four year</p> <p>5. Living standard due to increase in national income:</p> <p>(a) Increases</p> <p>(b) Falls</p> <p>(c) No change</p> <p>(d) Old one</p> |

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| | | <p>6. Personal income minus direct taxes is equal to?</p> <p>(a) Personal income (b) Govt. income (c) National income (d) Disposable income</p> <p>7. GDP stands for _____.</p> <p>(a) Gross Domestic Product (b) Gross Durable Product (c) Gross Development Products (d) None of the above</p> <p>8. PI stands for _____.</p> <p>(a) Permanent Income (b) Partial Income (c) Personal Income (d) Personal Investment</p> <p>9. GNP = _____.</p> <p>(a) GDP + Foreign Remittances (b) GDP - Foreign Remittances (c) NI + Foreign Remittances (d) NI - Foreign Remittances</p> <p>10. NI = _____.</p> <p>(a) NNP- Indirect Taxes + Subsidies (b) NNP + Indirect Taxes – Subsidies (c) NNP- Indirect Taxes (d) NNP + Subsidies</p> <p>11. Transfer payments means:</p> <p>(a) Bank loans (b) The payment without work (c) Tax payments (d) Payment made to all factors of production</p> <p>12. Direct taxes are not included in:</p> <p>(a) NNP (b) PI (c) DPI (d) (a) and (c) of above</p> <p>13. The four factor payments are:</p> <p>(a) Money, capital, salaries, and income (b) Wages, rent, interest and profits (c) Money, power, prices, and wealth (d) Wages, interest, salaries and income</p> <p>14. By Which scale the value of all economic activity produced by a nation during a given period is measured?</p> <p>(a) Gross Domestic Product (GDP) (b) Gross National Output (GNO) (c) Gross National Product (GNP) (d) Gross Domestic Output (GDO)</p> |
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| CHAPTER 8 MONEY | SUB TOPICS | <ul style="list-style-type: none"> • Definition of Money • Functions of Money • Barter Exchange and its Problems • Characteristics of Good Money |
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| | MULTIPLE CHOICE QUESTIONS | <ol style="list-style-type: none"> 1. Currency note of five thousand in Pakistan is? <ol style="list-style-type: none"> (a) Metallic money (b) Credit money (c) Paper money (d) Near money 2. Problem in barter system? <ol style="list-style-type: none"> (a) Surplus goods (b) Lack of double coincidence (c) Language Problem (d) Shortage of goods 3. There is positive relationship between price and quantity of money? <ol style="list-style-type: none"> (a) Banking (b) Quantity theory of money (c) Deflation (d) Purchasing power 4. Which property the paper money does not possess: <ol style="list-style-type: none"> (a) Acceptability (b) Divisibility (c) Durability (d) Portability 5. A saving account in a bank represents the function of money: <ol style="list-style-type: none"> (a) A measure of value (b) A medium of exchange (c) A standard for deferred payments (d) Store of value 6. A student records her income and spending for past month, she uses the function of money <ol style="list-style-type: none"> (a) Medium of exchange (b) Standard of deferred payments (c) Store of value (d) Unit of account 7. Which property paper money does NOT Possess: <ol style="list-style-type: none"> (a) Acceptability (b) Divisibility (c) Durability (d) Portability 8. Anything used as money must be: <ol style="list-style-type: none"> (a) Fixed in value (b) Fixed in supply (c) Legal tender (d) Readily acceptable |

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| | | <p>9. Which is NOT a desirable characteristic of money?</p> <p>(a) Portable</p> <p>(b) Uniform</p> <p>(c) Easily recognized</p> <p>(d) Easily duplicated</p> <p>10. Money material should be:</p> <p>(a) Abundant</p> <p>(b) Scarce</p> <p>(c) Beautiful</p> <p>(d) Heavy</p> <p>11. This is not the function of money:</p> <p>(a) Make demand and supply equal</p> <p>(b) Store of value</p> <p>(c) Medium of exchange</p> <p>(d) Measure of value</p> <p>12. Barter has the defect:</p> <p>(a) Goods exchanged are of inferior quality</p> <p>(b) Goods cannot be exchanged for services</p> <p>(c) Lack of common measure of value</p> <p>(d) Goods are available in the market</p> |
| CHAPTER 9 | SUB TOPICS | <ul style="list-style-type: none"> • Definition of Finance • Meaning of Tax • Canons of Taxation |
| FINANCE AND TAXES | MULTIPLE CHOICE QUESTIONS | <p>1. Burden of tax cannot transfer to any other?</p> <p>(a) Proportion tax</p> <p>(b) Indirect tax</p> <p>(c) Direct tax</p> <p>(d) Regressive tax</p> <p>2. Rate of tax is constant?</p> <p>(a) Indirect tax</p> <p>(b) Proportionate tax</p> <p>(c) Local tax</p> <p>(d) Regressive tax</p> <p>3. Burden of tax cannot transfer to any other?</p> <p>(a) Proportion tax</p> <p>(b) Indirect tax</p> <p>(c) Direct tax</p> <p>(d) Regressive tax</p> <p>4. Who described the principles of taxation?</p> <p>(a) Marshall</p> <p>(b) Robbins</p> <p>(c) Keynes</p> <p>(d) Adam Smith</p> <p>5. Taxes are levied to:</p> <p>(a) Penalize people</p> <p>(b) Provide direct benefits to tax payers</p> <p>(c) Provide general benefits for the people</p> <p>(d) To accumulate funds</p> |

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| | | <p>6. Taxes on commodities are:</p> <p>(a) Direct taxes</p> <p>(b) Indirect taxes</p> <p>(c) Progressive taxes</p> <p>(d) Proportional taxes</p> <p>7. It is direct tax:</p> <p>(a) Excise tax</p> <p>(b) Sales tax</p> <p>(c) Income tax</p> <p>(d) Custom duty</p> <p>8. Which of the following is NOT the objective of taxation?</p> <p>(a) to rise in government revenue</p> <p>(b) to create civic sense</p> <p>(c) to protect foreign industry</p> <p>(d) to control inflation</p> <p>9. Which of the following is NOT the quality of a good tax system?</p> <p>(a) Canon of equality</p> <p>(b) Canon of certainty</p> <p>(c) Political advantage</p> <p>(d) Instrument of Economic growth</p> |
| CHAPTER 10 INFLATION | SUB TOPICS | <ul style="list-style-type: none"> • Concept of Inflation • Concept of Deflation • Concept of Disinflation • Concept of Low Inflation • Concept of High Inflation • Concept of Hyper Inflation • Concept of Stagflation |
| | MULTIPLE CHOICE QUESTIONS | <p>1. Prices in deflation?</p> <p>(a) Increase</p> <p>(b) Fall</p> <p>(c) No change</p> <p>(d) Zero</p> <p>2. Prices in inflation?</p> <p>(a) Falls</p> <p>(b) Increases</p> <p>(c) Fixed</p> <p>(d) Zero</p> <p>3. Prices in dis-inflation?</p> <p>(a) Falls rapidly</p> <p>(b) Increases rapidly</p> <p>(c) Increases but the rate of inflation decreases</p> <p>(d) Decreases until reaches Zero</p> <p>4. There is _____ relationship between money supply and inflation.</p> <p>(a) Positive</p> <p>(b) Negative</p> <p>(c) Independent</p> <p>(d) depends on the situation but mostly negative</p> |

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| | | <p>5. Inflation is _____?</p> <p>(a) a decrease in the overall price level.</p> <p>(b) an increase in the overall price level.</p> <p>(c) an increase in the overall level of economic activity.</p> <p>(d) a decrease in the overall level of economics activity.</p> <p>6. Unemployment means that?</p> <p>(a) there is excess demand in the labor market</p> <p>(b) there are some people who will not work at the going wage rate.</p> <p>(c) people are not willing to work at the going wage rate.</p> <p>(d) at the going wage rate, there are people who want to work but cannot find work.</p> <p>7. An essential attribute of inflation is?</p> <p>(a) Fall in production</p> <p>(b) Increase in prices</p> <p>(c) Stagflation</p> <p>(d) Disinflation</p> <p>8. A very rapid growth in prices in which money loses its value to the point where even barter may be preferable is known as?</p> <p>(a) Inflation</p> <p>(b) Hyper-inflation</p> <p>(c) Deflation</p> <p>(d) Disinflation</p> <p>9. Purchasing power of money during deflation is:</p> <p>(a) Reduced</p> <p>(b) Increased</p> <p>(c) Constant</p> <p>(d) Fluctuating</p> <p>10. Inflation is a situation when:</p> <p>(a) Prices of some goods rise</p> <p>(b) General Price level rises continuously</p> <p>(c) Prices double every year</p> <p>(d) Prices rise and fall</p> <p>11. Stagflation is a situation when:</p> <p>(a) Prices of goods rise and performance of economy becomes better off</p> <p>(b) Prices of goods rise and performance of economy becomes worse</p> <p>(c) Prices of goods fall and performance of economy becomes better off</p> <p>(d) Prices of goods fall and performance of economy becomes worse</p> |
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| <p>CHAPTER 11</p> <p>INTERNATIONAL TRADE</p> | <p>SUB TOPICS</p> | <ul style="list-style-type: none"> • Meaning of Domestic Trade • Meaning of International Trade • Advantages and Disadvantages of International Trade • Concept of Balance of Trade • Concept of Balance of Payment |
| | <p>MULTIPLE CHOICE QUESTIONS</p> | <ol style="list-style-type: none"> 1. Who present the absolute advantage theory of international trade? <ol style="list-style-type: none"> (a) Ricardo (b) Malthus (c) Adam Smith (d) Pigou 2. Buy goods and services from other countries? <ol style="list-style-type: none"> (a) Aid (b) Exports (c) Imports (d) Regressive 3. Sell goods and services to other country? <ol style="list-style-type: none"> (a) Aid (b) Exports (c) Imports (d) Balance of trade 4. If exports are more than of imports then situation named as? <ol style="list-style-type: none"> (a) Surplus balance (b) Deficit balance (c) Equilibrium (d) Foreign trade 5. Which is NOT an advantage of international trade? <ol style="list-style-type: none"> (a) Export of surplus production (b) Import of defense material (c) Dependence on foreign countries (d) Availability of cheap raw materials 6. Term of trade of a country show: <ol style="list-style-type: none"> (a) Ratio of goods exported and imported (b) Ratio of import duties (c) Ratio of prices of exports and imports (d) Ratio of goods imported and exported 7. What would encourage trade between two countries? <ol style="list-style-type: none"> (a) Different tax system (b) Frontier checks (c) National currencies (d) Reduced tariffs 8. It is drawback of protection: <ol style="list-style-type: none"> (a) Consumers have to pay higher prices (b) Producers get higher profits (c) Quality of goods may be affected (d) All of the above |

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| | | <p>9. Which of the following is international trade?</p> <p>(a) Trade between provinces</p> <p>(b) Trade between regions</p> <p>(c) Trade between countries</p> <p>(d) Trade between cities</p> |
| <p>CHAPTER 12</p> <p>BUSINESS CYCLE</p> | <p>SUB TOPICS</p> | <ul style="list-style-type: none"> • Meaning of Business Cycle • Phases of Business Cycle with explanation |
| | <p>MULTIPLE CHOICE QUESTIONS</p> | <p>1. In which phase of trade cycle crimes are more?</p> <p>(a) Depression</p> <p>(b) Recovery</p> <p>(c) Boom</p> <p>(d) Recession</p> <p>2. Economy suffers from backwardness?</p> <p>(a) Recession</p> <p>(b) Depression</p> <p>(c) Boom</p> <p>(d) Recovery</p> <p>3. Phases of trade cycle are:</p> <p>(a) One</p> <p>(b) Two</p> <p>(c) Three</p> <p>(d) Four</p> <p>4. A recession is _____?</p> <p>(a) A period of declining prices.</p> <p>(b) Period of declining unemployment</p> <p>(c) A period during which aggregate output declines</p> <p>(d) A period of very rapidly declining prices.</p> <p>5. Depression is a drastic decline in a national or international economy. Its characteristic is _____?</p> <p>(a) Decreasing business activity</p> <p>(b) Falling prices</p> <p>(c) Unemployment</p> <p>(d) All of these</p> |