



<https://vulms.vu.edu.pk/Quiz/QuizQuestion.aspx?ver=6d850e9c-e717-414c-8f5c-d42494ec9288>

Question # 2 of 10 (Start time: 02:49:17 PM, 08 May 2025)

Total Marks: 1

Measurement of elasticities is made in percentage terms because:

Select the correct option



It gives a more accurate answer.



The answer is always negative.



The resulting measure is unit free.



It is easy to calculate.



Type here to search



Which of the following indicates optimal consumption point for the consumer;

Select the correct option

$P_y/P_x > \Delta Y/\Delta X = MU_x/MU_y$

$P_x/P_y = \Delta X/\Delta Y > MU_x/MU_y$

$P_x/P_y = \Delta Y/\Delta X = MU_x/MU_y$

$P_x/P_y = \text{zero} = MU_x/MU_y$

Click to Save Answer & Move to Next Question



A shortage is a situation in which:

Select the correct option

- | | |
|----------------------------------|-------------------------------|
| <input type="radio"/> | Demand remains neutral |
| <input type="radio"/> | Supply remains neutral |
| <input type="radio"/> | Demand does not exceed supply |
| <input checked="" type="radio"/> | Demand exceeds supply |

Click to Save Answer & Move to Next Question




Question # 5 of 10 (Start time: 02:55:07 PM, 08 May 2025)

Total Marks: 1

How is Normative Economics defined?

Select the correct option

 Reload Math Equations

- | | |
|----------------------------------|--------------------------------|
| <input type="radio"/> | Study of values and judgements |
| <input type="radio"/> | Study of "what is" |
| <input checked="" type="radio"/> | Study of "what could be" |
| <input type="radio"/> | Study of economic trends |

Click to Save Answer & Move to Next Question

☐ Type here to search



Calculating elasticity at a certain point on the demand curve involves:

Select the correct option

- | | |
|----------------------------------|-----------------------------------|
| <input type="radio"/> | Cross price elasticity of demand. |
| <input type="radio"/> | Arc elasticity of demand. |
| <input type="radio"/> | Income elasticity of demand. |
| <input checked="" type="radio"/> | Point elasticity of demand. |

Click to Save Answer & Move to Next Question



The optimal consumption point for the consumer is a point where:

Select the correct option



Marginal rate of substitution equals the relative price ratio.



Slope of the indifference curve is equal to slope of the budget line.



All of the given options are true.



Budget line is tangent to the highest possible indifference curve.

Click to Save Answer & Move to Next Question



🔍 Type here to search



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

Select the correct option

- | | |
|----------------------------------|-------------|
| <input checked="" type="radio"/> | Consumers. |
| <input type="radio"/> | Middle man. |
| <input type="radio"/> | Government. |
| <input type="radio"/> | Producers. |

Click to Save Answer & Move to Next Question



The Engel curve is positively sloped for the:

Select the correct option

- | | |
|----------------------------------|-------------------------------|
| <input type="radio"/> | Inferior good |
| <input type="radio"/> | Expensive good |
| <input type="radio"/> | Normal Good and inferior good |
| <input checked="" type="radio"/> | Normal good |

Click to Save Answer & Move to Next Question




Question # 10 of 10 (Start time: 02:56:20 PM, 08 May 2025)

Total Marks: 1

If the demand for good A increases and its supply curve is unchanged, then the equilibrium price of this good A will:

Select the correct option

 Reload Math Equations

- | | |
|----------------------------------|--------------|
| <input checked="" type="radio"/> | Increase |
| <input type="radio"/> | Decrease |
| <input type="radio"/> | Undetermined |
| <input type="radio"/> | No change |

Click to Save Answer & Move to Next Question



Question # 1 of 10 (Start time: 12:18:24 AM, 18 June 2025)

Total Marks: 1

Business-cycle instability is best corrected through government policies is a primary implication of:

Select the correct option

Monetarist.



J.M. Keynes.



Classical Economists.

Question # 2 of 10 (Start time: 12:18:38 AM, 18 June 2025)

Total Marks: 1

According to classical economics, what is the primary driver of economic growth and stability?

Select the correct option

[Reload Math Equations](#)

- | | |
|----------------------------------|--|
| <input type="radio"/> | Consumer spending and demand. |
| <input checked="" type="radio"/> | A free market, where prices and wages adjust based on supply and demand. |
| <input type="radio"/> | Government intervention and regulation. |
| <input type="radio"/> | Labor unions and collective bargaining. |

Question # 3 of 10 (Start time: 12:19:55 AM, 18 June 2025)

Total Marks: 1

Differentiated products in monopolistic competition mean that

Select the correct option

 Reload Math Equations



Each firm's product has unique characteristics



Products are exactly the same across all firms



Products are highly standardized



All firms offer the same product with no variation

Click to Save Answer & Move to Next Question

Question # 4 of 10 (Start time: 12:20:15 AM, 18 June 2025)

Total Marks: 1

Which market structure is characterized by a few major firms dominating the industry?

Select the correct option

[Reload Math Equations](#)

Monopoly

Oligopoly

Monopolistic competition

Perfect competition

Question # 5 of 10 (Start time: 12:20:34 AM, 18 June 2025)

Total Marks: 1

Suppose five firms get together and decide the optimal quantity and price. But later on, two firms charge lower price to increase their share and break the agreement between these firms. This is possible in case of:

Select the correct option

<input type="radio"/>	Monopolistic Competition.
<input type="radio"/>	Duopoly.
<input checked="" type="radio"/>	Collusive oligopoly.

Question # 6 of 10 (Start time: 12:20:55 AM, 18 June 2025)

Total Marks: 1

In the context of Marginal Disutility of work (MDUW), when a person decides to work fewer hours and has more leisure, what does this imply about their Marginal Disutility of work (MDUW)?

Select the correct option

 Reload Math Equations

- | | |
|----------------------------------|---------------------|
| <input type="radio"/> | MDUW is constant. |
| <input type="radio"/> | MDUW is irrelevant. |
| <input checked="" type="radio"/> | MDUW is increasing. |
| <input type="radio"/> | MDUW is decreasing. |

Click to Save Answer & Move to Next Question

Question # 8 of 10 (Start time: 12:23:30 AM, 18 June 2025)

Total Marks: 1

In case of monopoly at equilibrium point:

Select the correct option

<input checked="" type="radio"/>	Price is greater than marginal revenue
<input type="radio"/>	Price is equal to marginal cost
<input type="radio"/>	Price is less than marginal cost
<input type="radio"/>	Price is less than marginal revenue

Question # 9 of 10 (Start time: 12:23:44 AM, 18 June 2025)

Total Marks: 1

In the kinked demand curve model, if one firm reduces its price then other firms will:

Select the correct option

[Reload Math Equations](#)

Not change their price.

Raise their price.

Reduce their price.

Compete on a non-price basis.

Question # 10 of 10 (Start time: 12:24:00 AM, 18 June 2025)

Total Marks: 1

Which of the following is an example of a public good?

Select the correct option

[Reload Math Equations](#)

Fast food restaurant

Cable television subscription

Private healthcare

National defense

Question # 2 of 10 (Start time: 11:28:35 PM, 19 June 2025)

Total Marks:

Which of the following is a barrier to entry that can help a monopolist maintain its position?

Select the correct option

 Reload Math Equations

Promoting perfect competition

Encouraging new firms to enter the market

Patents, copyrights and brand loyalty

Allowing open access to essential resources

Click to Save Answer & Move to Next Question

Question # 3 of 10 (Start time: 11:28:53 PM, 19 June 2025)

Total Marks: 1

In which of the followings market structure point of maximum allocative efficiency is achieved?

Select the correct option

<input type="radio"/>	Monopoly
<input type="radio"/>	Monopolistic competition
<input checked="" type="radio"/>	Perfect competition
<input type="radio"/>	Oligopoly

Question # 4 of 10 (Start time: 11:29:06 PM, 19 June 2025)

Total Marks: 1

Oligopoly differs from monopolistic competition in that an oligopoly includes:

Select the correct option

 Reload Math Equations

- | | |
|----------------------------------|---------------------------|
| <input type="radio"/> | All of the given options. |
| <input type="radio"/> | Product differentiation. |
| <input type="radio"/> | No barriers to entry. |
| <input checked="" type="radio"/> | Barriers to entry. |

Click to Save Answer & Move to Next Question

Question # 5 of 10 (Start time: 11:29:20 PM, 19 June 2025)

Total Marks: 1

According to classical economics, what is the role of government in the economy?

Select the correct option

 Reload Math Equations



It should avoid intervention and allow the market to self-adjust.



It should control the production and distribution of goods and services.



It should actively manage the economy to achieve full employment.



It should intervene to stabilize prices.

Question # 6 of 10 (Start time: 11:31:00 PM, 19 June 2025)

Total Marks: 1

In the context of Marginal Disutility of work (MDUW), when a person decides to work fewer hours and has more leisure, what does this imply about their Marginal Disutility of work (MDUW)?

Select the correct option

 Reload Math Equations

- | | |
|----------------------------------|---------------------|
| <input type="radio"/> | MDUW is irrelevant. |
| <input type="radio"/> | MDUW is decreasing. |
| <input type="radio"/> | MDUW is constant. |
| <input checked="" type="radio"/> | MDUW is increasing. |

Question # 7 of 10 (Start time: 11:31:24 PM, 19 June 2025)

Total Marks: 1

If Competitive markets do not achieve equitable outcomes, then it is called:

Select the correct option

<input checked="" type="radio"/>	Market failure.
<input type="radio"/>	Imperfect market structure.
<input type="radio"/>	Non-rational consumers.
<input type="radio"/>	Limit pricing.

Question # 8 of 10 (Start time: 11:31:34 PM, 19 June 2025)

Total Marks: 1

The price level in long run is determined by:

Select the correct option

Aggregate demand.

The government.

Aggregate supply.

Money supply.

Question # 9 of 10 (Start time: 11:31:44 PM, 19 June 2025)

Total Marks: 1

If A firm spends Rs.1000 for making a product and sells its product for Rs.1500, then the value added is equal to:

Select the correct option

<input type="radio"/>	Rs.2500
<input checked="" type="radio"/>	Rs.500
<input type="radio"/>	Rs.2000
<input type="radio"/>	Rs.1000

The concept that "Supply creates its own demand" is given by:

Select the correct option

- | | |
|----------------------------------|---------------------------|
| <input checked="" type="radio"/> | Classicals |
| <input type="radio"/> | None of the given options |
| <input type="radio"/> | Keynesians |
| <input type="radio"/> | New Keynesians |

Click to Save Answer & Move to Next Question

Question # 1 of 10 (Start time: 04:55:31 PM, 02 July 2025)

Total Marks: 1

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

Select the correct option



Interest rate will be same.



Output will be stagnant.



Real interest rate will increase.



Type here to search



Question # 2 of 10 (Start time: 04:55:53 PM, 02 July 2025)

Total Marks: 1

Which of the following is leakage into circular flow of income?

Select the correct option

- | | |
|----------------------------------|---------------------|
| <input type="radio"/> | Government spending |
| <input type="radio"/> | Investment |
| <input checked="" type="radio"/> | Saving |

Question # 5 of 10 (Start time: 04:57:06 PM, 02 July 2025)

Total Marks: 1

The total market value of all final goods and services produced within a given period by factors of production located within a country is:

Select the correct option

- Net national income.
- Net national product.
- Gross national product.
- Gross domestic product.

Question # 6 of 10 (Start time: 04:57:26 PM, 02 July 2025)

Total Marks: 1

Quantity theory of money $MV=PQ$, shows the positive relationship among:

Select the correct option

Nominal value of expenditures to demand of money



Overall prices to quantity of money



None of the given options is true



Type here to search



Question # 7 of 10 (Start time: 04:57:40 PM, 02 July 2025)

Total Marks: 1

Which of the following can occur at long run market equilibrium according to classical school of thought?

Select the correct option

- | | |
|----------------------------------|---|
| <input checked="" type="radio"/> | All of the given options are correct. |
| <input type="radio"/> | Factors of production must be unemployed. |
| <input type="radio"/> | People are unemployed voluntarily. |
| <input type="radio"/> | Prices remain at very high level. |



🔍 Type here to search



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 the correct option

Demand-pull inflation

Demand-push inflation

Cost-pull inflation

Cost-push inflation

Click to Save Answer & Move to Next Question



🔍 Type here to search



Question # 9 of 10 (Start time: 04:58:31 PM, 02 July 2025)

Total Marks: 1

If the US dollar is strengthening against Pakistani rupee, this means:

Select the correct option

- | | |
|----------------------------------|--|
| <input type="radio"/> | The rupee can now purchase more dollars. |
| <input type="radio"/> | The US trade balance with the Pakistan economy has improved. |
| <input type="radio"/> | The dollar is depreciated against rupee. |
| <input checked="" type="radio"/> | The dollar can now purchase more rupees. |

Question # 10 of 10 (Start time: 04:58:53 PM, 02 July 2025)

Total Marks: 1

If marginal propensity to consume (MPC) increases, then the value of multiplier will:

Select the correct option

- | | |
|----------------------------------|-------------------|
| <input type="radio"/> | Become zero. |
| <input checked="" type="radio"/> | Increase. |
| <input type="radio"/> | Decrease. |
| <input type="radio"/> | Remain unchanged. |



Type here to search



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 the correct option

- | | |
|-----------------------|-------|
| <input type="radio"/> | 2.5. |
| <input type="radio"/> | 0.40. |
| <input type="radio"/> | 1.66. |
| <input type="radio"/> | 5.0. |

Click to Save Answer & Move to Next Question



Type here to search



According to the quantity theory of money, which of the following is TRUE for the equation $MV = PQ$?

Select the correct option

- | | |
|----------------------------------|---|
| <input checked="" type="radio"/> | M is nominal money supply |
| <input type="radio"/> | Q is the real price level |
| <input type="radio"/> | P rises as V falls, other things constant |
| <input type="radio"/> | M is real money supply |

Click to Save Answer & Move to Next Question



🔍 Type here to search



Question # 3 of 10 (Start time: 05:10:51 PM, 02 July 2025)

Total Marks: 1

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

Select the correct option

<input type="radio"/>	Monetarism
<input type="radio"/>	Real Business Cycle theory
<input checked="" type="radio"/>	Keynesian



Type here to search



Question # 4 of 10 (Start time: 05:12:15 PM, 02 July 2025)

Total Marks: 1

Suppose the overall production of goods and services increases in a country because of technological improvement. This will shift:

Select the correct option



Aggregate supply curve to the left.



Aggregate demand curve to the left.



Aggregate supply curve to the right.



Type here to search

