

Professional Online Academy Vu Topper RM



ECO-403 Macroeconomics

Update MCQ'S Mid Term

By Vu Topper RM



Follow Us on YouTube:
[@vutopperrm](https://www.youtube.com/@vutopperrm)

For More Help Contact What's app Me!!!
Number's = # 0322-4021365, 0316-4980094

[Rizwan Manzoor](https://www.youtube.com/@vutopperrm)
[Vu Topper RM](https://www.youtube.com/@vutopperrm)

وَتَعَزُّ مَنْ تَشَاءُ وَتَذِلُّ مَنْ تَشَاءُ



Our Services

- Assignments
- Quiz & Gdb's
- LMS Handling
- Online Classes
- Lectures Views
- Project Handling
- Important Notes

Result

**85% To
100%**

پہلے ہمارے سٹوڈنٹس کے رزلٹ دیکھیں
پھر ہم سے سروسز لیں



www.youtube.com/@vutopperrm



Contact us

0322 4021365

0316 4980094

بری صحبت سے تنہائی بہتر ہے اور تنہائی سے نیک صحبت بہتر ہے

For More Help Contact What's app 03224021365

Question No:1

(Marks:1)

Vu-Topper RM

Which of the following is measured in real or physical units?

A. Relative prices

B. Wage in dollars per hour of work

C. General price level

D. Nominal interest rate

Question No:2

(Marks:1)

Vu-Topper RM

The costs of reducing money balances to avoid inflation tax is called:

A. The inconvenience of adjusting prices frequently

B. The cost of printing new catalogs

C. Shoe leather cost

D. Menu costs

Question No:3

(Marks:1)

Vu-Topper RM

When a fiscal expansion takes place at home, then national savings and equilibrium real exchange rate affected in a way that:

A. National saving decreases and real exchange rate falls

B. National saving increases and real exchange rate falls

C. National saving increases and real exchange rate rises

D. National saving decreases and real exchange rate rises

Question No:4

(Marks:1)

Vu-Topper RM

Which of the following is true about equilibrium in the money market?

A. Money demand equals money supply

B. Money demand equals the inflation rate

C. Money supply equals real income

D. Money supply equals nominal interest rate

بري صحبت سے تھائی بہتر ہے اور تھائی سے نیک صحبت بہتر ہے

For More Help Contact What's app 03224021365

Question No:5

(Marks:1)

Vu-Topper RM

The opportunity cost of holding money, instead of bonds or other assets, is represented by which rate?

- A. Expected inflation rate (π^e)
- B. Actual inflation rate (π)
- C. Real interest rate (r)
- D. Nominal interest rate (i)**

Question No:6

(Marks:1)

Vu-Topper RM

What does the money demand function $d(M/P) = L(i, Y)$ suggest about the relationship between real money demand and the nominal interest rate (i)?

- A. Money demand is positively related to nominal interest rate
- B. Money demand is independent of nominal interest rate
- C. Money demand is inversely related to nominal interest rate**
- D. Money demand is inversely related to income

Question No:7

(Marks:1)

Vu-Topper RM

All of the followings are the costs of expected inflation EXCEPT:

- A. Menu costs
- B. Relative price distortions
- C. Arbitrary income re-distribution between individuals**
- D. Shoe leather cost

Question No:8

(Marks:1)

Vu-Topper RM

The average rate of unemployment around which the economy fluctuates is known as:

- A. Natural rate of unemployment**
- B. The minimum achievable unemployment rate
- C. Frictional unemployment

بري صحبت سے تنہائی بہتر ہے اور تنہائی سے نيك صحبت بہتر ہے

For More Help Contact What's app 03224021365

D. Structural unemployment

Question No:9

(Marks:1)

Vu-Topper RM

According to the quantity theory of money, what happens if the velocity of money (V) is constant?

A. Changes in money supply directly affect inflation

B. The money supply has no effect on the economy

C. Inflation is unrelated to money supply growth

D. Money supply growth has no effect on inflation

Question No:10

(Marks:1)

Vu-Topper RM

The term 'G' in the National Income Accounts Identity ($Y = C + I + G + NX$) represents:

A. Government spending

B. Global income

C. Gross national product

D. Government income

Question No:11

(Marks:1)

Vu-Topper RM

Which one of the following is correct?

A. $M \times V = P / Y$

B. $M \times V = P + Y$

C. $M \times V = P \times Y$

D. $M + V = P - Y$

Question No:12

(Marks:1)

Vu-Topper RM

Which one of the following is correct?

A. Real exchange rate = (Nominal exchange rate - domestic price level) / Foreign price level.

بري صحبت سے تنہائی بہتر ہے اور تنہائی سے نيك صحبت بہتر ہے

For More Help Contact What's app 03224021365

B. Real exchange rate = (Nominal exchange rate × domestic price level) / Foreign price level.

C. Real exchange rate = (Nominal exchange rate + domestic price level) / Foreign price level.

D. Real exchange rate = (Fixed exchange rate + domestic price level) / Foreign price level.

Question No:13

(Marks:1)

Vu-Topper RM

If $M = 2$, $P = 3$, and $Y = 40$, then the velocity is equal to:

A. $(3 \times 2 \times 40)/2$

B. $(3 \times 2)/40$

C. $(3 \times 40)/2$

D. $(2 \times 40)/3$

Question No:14

(Marks:1)

Vu-Topper RM

When prices rise at an extraordinary fast rate, it is called:

A. Disinflation.

B. Hyperinflation.

C. Inflation

D. Deflation.

Question No:15

(Marks:1)

Vu-Topper RM

Which of the following is NOT included in M1?

A. Deposits in money market mutual funds.

B. Deposits in checking accounts that pay interest.

C. Currency held by the public.

D. Deposits in checking accounts.

بري صحبت سے تھائی بہتر ہے اور تھائی سے نيك صحبت بہتر ہے

For More Help Contact What's app 03224021365

Question No:16

(Marks:1)

Vu-Topper RM

Which of the following equations is correct?

- A. Nominal interest rate = Real interest rate - Inflation rate
- B. Real interest rate = Nominal interest rate + Inflation rate
- C. Real interest rate = Nominal interest rate \times Inflation rate

D. Real interest rate = Nominal interest rate - Inflation rate

Question No:17

(Marks:1)

Vu-Topper RM

An asset that is included in M3 but not in M2 is:

- A. Large-denomination certificates of deposit.**
- B. Checkable deposits.
- C. Small-denomination certificates of deposit.
- D. Currency

Question No:18

(Marks:1)

Vu-Topper RM

When money is used to express the value of goods and services, this function of money is called:

- A. Store of value.
- B. Unit of account.
- C. Medium of exchange.**
- D. Store of purchasing power.

Question No:19

(Marks:1)

Vu-Topper RM

Your nominal capital gain in year 2007 is 7% while inflation rate in this year is 7%. What will be your real capital gain?

- A. 100%
- B. 10%
- C. 0%**
- D. 1%

بري صحبت سے تنہائی بہتر ہے اور تنہائی سے نيك صحبت بہتر ہے

For More Help Contact What's app 03224021365

Question No:20

(Marks:1)

Vu-Topper RM

Which of the following is correct?

A. $NX = Y - (C + I + G)$.

B. $NX = Y - (C + T + G)$.

C. $NX = Y - (T + G)$.

D. $NX = Y - (C - T + G)$.

Question No:21

(Marks:1)

Vu-Topper RM

Causes of market failure include:

A. Incorrect forecasts of consumer demand and foreign competition.

B. Externalities and foreign competition.

C. Market power and incorrect forecasts of consumer demand.

D. Externalities and market power.

Question No:22

(Marks:1)

Vu-Topper RM

Which kind of economics deals with issues such as exchange rates, government budget deficits and surpluses?

A. Microeconomics.

B. Macroeconomics.

C. Political economics.

D. Financial economics.

Question No:23

(Marks:1)

Vu-Topper RM

What is the meaning of marginal in economics?

A. Incremental.

B. Additional

C. Extra

D. All of the given options.

بري صحبت سے تنہائی بہتر ہے اور تنہائی سے نيك صحبت بہتر ہے

For More Help Contact What's app 03224021365

Question No:24

(Marks:1)

Vu-Topper RM

Economy faces a short run tradeoff between inflation and _____.

A. Price level.

B. Unemployment.

C. Output level.

D. Employment

Question No:25

(Marks:1)

Vu-Topper RM

An increase in the cost of production of commodity "X" will cause to:

A. Increase its demand.

B. Decrease its supply.

C. Increase its supply.

D. Increase its supply.

Question No:26

(Marks:1)

Vu-Topper RM

Human wants are _____.

A. Unlimited.

B. Limited

C. Always fixed.

D. Likely to decrease over time.

Question No:27

(Marks:1)

Vu-Topper RM

If the private saving is 900 and public saving is 800, then the national saving is:

A. 7200

B. 100

C. 800

D. 1700

بري صحبت سے تنہائی بہتر ہے اور تنہائی سے نيك صحبت بہتر ہے

For More Help Contact What's app 03224021365

Question No:28

(Marks:1)

Vu-Topper RM

Macroeconomics is concerned with which of the following?

A. Both long-run and short-run fluctuations in the economy.

B. Only long-run trends in economic activity.

C. Only changes in the overall price level.

D. Only short-run fluctuations in the business cycle.

Question No:29

(Marks:1)

Vu-Topper RM

Suppose the first five units of labor inputs generate corresponding total outputs of 100, 130, 150, 160 and 170. The marginal product of second unit of labor is:

A. 130

B. 230

C. 30

D. 150

Question No:30

(Marks:1)

Vu-Topper RM

Nominal GDP = Y =:

A. $P * y$

B. P/ y

C. $P + y$

D. $P - y$

Question No:31

(Marks:1)

Vu-Topper RM

The Phillips Curve illustrates the short run tradeoff between:

A. Inflation and price level.

B. Inflation and price index.

C. Inflation and unemployment.

D. Inflation and employment.

بري صحبت سے تھائی بہتر ہے اور تھائی سے نیک صحبت بہتر ہے

For More Help Contact What's app 03224021365

Question No:32

(Marks:1)

Vu-Topper RM

Adam Smith observed that households and firms interact in markets act as if guided by _____.

- A. Government hand.
- B. Visible hand.
- C. Active hand.
- D. Invisible hand.**

Question No:33

(Marks:1)

Vu-Topper RM

Macroeconomics deals with:

- A. Only the decisions made by individuals.
- B. Mostly large scale decisions made by countries and governments.**
- C. Only the decisions made by businesses.
- D. Only the decisions made by banks.

Question No:34

(Marks:1)

Vu-Topper RM

The three approaches to measuring economic activity are the:

- A. Product, income, and expenditure approaches.**
- B. Cost, income, and expenditure approaches.
- C. Consumer, business, and government approaches.
- D. Private, public, and international approaches.

Question No:35

(Marks:1)

Vu-Topper RM

The value of firm's output less the value of intermediate goods the firm purchases is called:

- A. Profit.
- B. Revenue.
- C. Surplus.
- D. Value added.**

بري صحبت سے تنہائی بہتر ہے اور تنہائی سے نیک صحبت بہتر ہے

For More Help Contact What's app 03224021365

Question No:36 (Marks:1)

Vu-Topper RM

Which one is NOT a factor of production?

- A. Land.
- B. Labor
- C. Capital
- D. Demand**

Question No:37 (Marks:1)

Vu-Topper RM

If nominal GDP = 10 while real GDP = 5 then GDP deflator is equal to:

- A. 0.2
- B. 200**
- C. 0.5
- D. 50

Question No:38 (Marks:1)

Vu-Topper RM

If exports = 17 billion rupees and imports = 10 billion rupees then what is the amount of net exports?

- A. 7 billion rupees.**
- B. 27 billion rupees.
- C. -27 billion rupees.
- D. 17 billion rupees.

Question No:39 (Marks:1)

Vu-Topper RM

The impact of one person or firm's actions on the well being of a bystander is called:

- A. Internal cost.
- B. Market failure.
- C. Invisible hand.
- D. Externality**

بري صحبت سے تھائی بہتر ہے اور تھائی سے نیک صحبت بہتر ہے

For More Help Contact What's app 03224021365

Question No:40

(Marks:1)

Vu-Topper RM

The sacrifice involved when you choose a particular decision is called the:

- A. Producer cost.
- B. Marginal cost.
- C. Consumer cost.
- D. Opportunity cost.**

Question No:41

(Marks:1)

Vu-Topper RM

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

- A. 45-degree line.
- B. Investment function.
- C. Consumption function.**
- D. Consumer price index.

Question No:42

(Marks:1)

Vu-Topper RM

-----is equal to Gross National Product (GNP) minus net factor income from abroad.

- A. Gross domestic product.
- B. National income.
- C. Net national product.**
- D. Disposable personal income.

Question No:43

(Marks:1)

Vu-Topper RM

In production function, labor (L) and output (Y) has:

- A. Zero correlation.
- B. Negative correlation.
- C. Positive correlation.**
- D. Undefined correlation.

بري صحبت سے تنہائی بہتر ہے اور تنہائی سے نيك صحبت بہتر ہے

For More Help Contact What's app 03224021365

Question No:44

(Marks:1)

Vu-Topper RM

Which one is NOT a factor of production?

A. Land

B. Consumption.

C. Capital

D. Labor

Question No:45

(Marks:1)

Vu-Topper RM

A firm hires worker up to the point where Marginal Product of Labor (MPL) is:

A. equal to prices.

B. equal to W/P.

C. less than W/P.

D. greater than W/P.

Question No:46

(Marks:1)

Vu-Topper RM

Suppose the first five units of labor inputs generate corresponding total outputs of 100, 130, 150, 160 and 170. The marginal product of fourth unit of labor is:

A. 30.

B. 10.

C. 160.

D. 20.

Question No:47

(Marks:1)

Vu-Topper RM

The study of the aggregate economy is known as:

A. Development economics.

B. Macroeconomics

C. Microeconomics.

D. Financial economics.

بري صحبت سے تنہائی بہتر ہے اور تنہائی سے نيك صحبت بہتر ہے

For More Help Contact What's app 03224021365

Question No:48

(Marks:1)

Vu-Topper RM

The value of final goods and services measured at current prices is called:

A. GDP growth.

B. Nominal GDP.

C. Real GDP.

D. GDP deflator.

Question No:49

(Marks:1)

Vu-Topper RM

An increase in consumer's income would shift the:

A. Demand curve downward.

B. Demand curve upward.

C. Supply curve downward.

D. Supply curve upward.

Visit My YouTube Channel
For Subjective and More
Important Files
Channel Name = #VuTopperRM

بري صحبت سے تہائی بہتر ہے اور تہائی سے نیک صحبت بہتر ہے

For More Help Contact What's app 03224021365