

# APPLIED ECONOMICS RESEARCH CENTRE

## UNIVERSITY OF KARACHI

M.A.S / M.PHIL. PROGRAMME: 2022-23 (MORNING)

### SAMPLE TEST FOR ECONOMISTS

**READ CAREFULLY THE FOLLOWING INSTRUCTIONS**

#### INSTRUCTIONS

- The paper contains 80 questions and comprises FOUR following sections.

Section-I	Microeconomics
Section-II	Macroeconomics
Section-III	Quantitative
Section-IV	Pakistan's Economy
- For each correct answer 1 mark will be awarded. There will be no negative marking for wrong answer.
- Write the capital letter (A - D) for the correct choice in the box against each question on the Answer Sheet (provided separately to you) and avoid overwriting.
- More than one answer to any question in the space provided shall be considered wrong.
- Use of PENCIL is NOT allowed. Please use PEN to write your answer on the answer sheet.
- Rough work can be done on a separate sheet provided for this purpose. Do not write anything on the Test Booklet.
- Do not detach pages of question paper.
- CALCULATORS ARE NOT ALLOWED.
- Be sure to return the Test Booklet after completion along with answer sheet. Failure to do so may result in the cancellation of the paper.
- Mobile phones MUST be POWERED OFF.

# ECONOMISTS: 2022-23 (MORNING)

## SECTION - I MICROECONOMICS

TOTAL MARKS: ( 25 )

**Q.1** If goods *A* and *B* are complements, an increase in the price of good *A* will lead to

- (A) A decrease in demand for good *B*
- (B) A decrease in the quantity demanded of good *B*
- (C) An increase in the price of good *B*
- (D) No change in demand for good *B* because *A* and *B* are not substitutes.
- (E) A rightward shift in the demand for good *B*

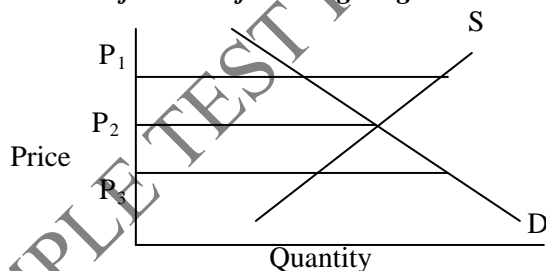
**Q.2** A household's demand curve can be derived from

- (A) A single indifference curve
- (B) A single budget line
- (C) A price-consumption line
- (D) An increase-consumption line
- (E) The indifference map

**Q.3** Assuming that capital is a fixed input and that labour is variable, the total product curve relates

- (A) Output to various levels of capital and labour employment
- (B) Total cost to various levels of labour employment
- (C) Labour cost to the level of output
- (D) Output to various levels of labour employment with capital held constant
- (E) Output to the cost of labour

Question 4 and 5 refer to the following diagram:



**Q.4** At a price equals  $P_1$ ,

- (A) There is upward pressure on price.
- (B) Demand will rise to restore equilibrium
- (C) The market has reached an equilibrium price
- (D) Quantity supplied is greater than quantity demanded
- (E) A shortage exists

Q.5 When price equals  $P_3$ ,

- (A) There is a tendency of price to rise
- (B) There is excess supply.
- (C) Quantity exchanged equals quantity demanded
- (D) The market is in equilibrium
- (E) A surplus exists

## SECTION – II MACROECONOMICS

TOTAL MARKS: ( 25 )

Q.1 Given the Keynesian consumption function  $C = 0.46 + 0.92y_d$ , if income rises by Rs. 1 billion, how much will consumption increase?

- (A) Rs 460 million
- (B) Rs 920 million
- (C) Rs 500 million
- (D) Rs 1,380 million

Q.2 Other things remaining constant, an increase in the level of output in an economy is likely to result in

- (A) An increase in money supply
- (B) An increase in rate of interest
- (C) A decrease in money demand
- (D) A decrease in the rate of interest

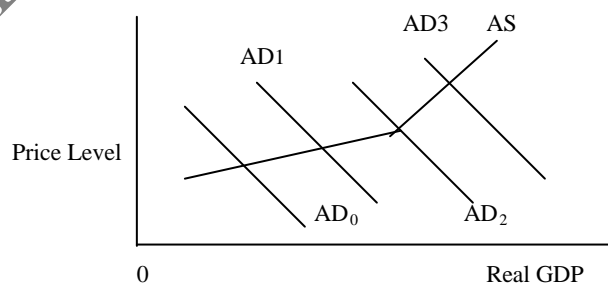
Q.3 According to the permanent income theory, temporary increase in income will mostly be \_\_\_\_\_, and permanent increase in income will mostly be \_\_\_\_\_

- (A) Spent: Saved
- (B) Spent: Spent
- (C) Saved: Spent
- (D) Saved: Saved

Q.4 To ensure that the fundamental identity of national income accounting holds, changes in inventories are:

- (A) Treated as part of saving
- (B) Ignored
- (C) Treated as part of expenditures
- (D) Counted as consumption

Q.5



Refer to the above diagram. If the economy's present aggregate demand curve is AD2:

- (A) The most appropriate fiscal policy is to increase government expenditures or a reduction of taxes.
- (B) The most appropriate fiscal policy is a reduction of government expenditures or an increase of taxes.
- (C) Government should not undertake either an expansionary or a contractionary fiscal policy.
- (D) The economy is achieving its full capacity output.

### SECTION – III QUANTITATIVE + CALCULUS

TOTAL MARKS: (20)

Q.1 If  $n$  and  $p$  are both odd numbers, which of the following numbers must be even numbers?

- (A)  $n+p$
- (B)  $np$
- (C)  $np+2$
- (D)  $n+p+1$
- (E)  $2n+p$

Q.2 if  $x^2 + y^2 = 3x$ , then  $\frac{dy}{dx} =$

- (A)  $\frac{3-2x}{2y}$
- (B)  $\frac{2x-3}{2y}$
- (C)  $\frac{2y-3}{2x}$
- (D)  $\frac{3-2y}{2x}$

Q.3  $\text{Log } \sqrt{x} 10 =$ , then  $x =$

- (A)  $1/2$
- (B)  $4$
- (C)  $10$
- (D)  $2$

Q.4  $\Delta ABC$  is a right angled triangle, if the length of three sides of  $\Delta ABC$  are 3 cm, 4cm and 5cm, then the area of  $\Delta ABC$  is

- (A) Cannot determine
- (B)  $6 \text{ cm}^2$
- (C)  $10 \text{ cm}^2$
- (D)  $7.5 \text{ cm}^2$

Q.5 A bag of chicken food will feed 18 chickens for 54 days. How long will it feed 12 chickens.

- (A) 36
- (B) 47
- (C) 53
- (D) 72
- (E) 81

Q.6 The median of the data : 25, 12, 10, 22, 17, 11, 18 is:

- (A) 22
- (B) 16.43
- (C) 17
- (D) 25
- (E) 115

**Q.7** The number of possible samples of size 2 can be drawn without replacement from a population of 4 units consisting of the values 5, 3, 7, 6 will be:

- (A) 24 (B) 16  
(C) 08 (D) 04  
(E) 06

**Q.8** Evaluate  $\lim_{x \rightarrow 4} \frac{x-4}{x^2-x-12}$

- A) Undefined B) Zero  
C) Infinity D)  $\frac{1}{7}$

**Q.9** Differentiate  $y = \log(x^2 + 1)^2$

- A)  $4x(x^2 + 1)$  B)  $\frac{4x \log e}{x^2 + 1}$   
C)  $\frac{x \log e}{x^2 + 1}$  D)  $2x(x^2 + 1)$

**Q.10** The value of integral  $\int_{-2}^2 \frac{dx}{x^2}$  is:

- A) 0 B)  $-\frac{1}{4}$   
C) -1 D)  $\infty$

**Q.11** Partial fractions of  $\frac{x^2+1}{x^3+1}$  will be of the form:

- A)  $\frac{A}{x+1} - \frac{B}{x^2-x+1}$  B)  $\frac{A}{x+1} + \frac{B}{x^2-x+1}$   
C)  $\frac{A}{x+1} + \frac{Bx+C}{x^2-x+1}$  D) None of the above.

**Q.12** Find multiplicative inverse of  $\begin{bmatrix} -5 & 1 \\ 6 & -2 \end{bmatrix}$

- A)  $\frac{1}{-7} \begin{bmatrix} 1 & -3 \\ -1 & -4 \end{bmatrix}$  B)  $\frac{1}{42} \begin{bmatrix} 7 & -5 \\ 0 & 6 \end{bmatrix}$   
C)  $\frac{1}{4} \begin{bmatrix} -2 & -1 \\ -6 & -5 \end{bmatrix}$  D)  $\frac{1}{4} \begin{bmatrix} 4 & 2 \\ -3 & 1 \end{bmatrix}$

**SECTION - IV**  
**PAKISTAN'S ECONOMY**

**TOTAL MARKS (10)**

**Q.1 National savings as percent of GDP of Pakistan is around:**

- (A) 18% (B) 15% (C) 11%  
(D) 12% (E) 8%

**Q.2 The major share in total exports of Pakistan consists of:**

- (A) Carpet and Rugs (B) Surgical Goods  
(C) Textile and Textile Articles (D) Leather Goods  
(E) Rice

**Q.3 The two major sources of federal tax revenues in Pakistan are :**

- (A) Custom Duties and Income Tax  
(B) Sales Tax and Income Tax  
(C) Excise Duties and Sales Tax  
(D) Excise Duties and Custom Duties  
(E) Sales Tax and Capital Value Tax

**Q.4 The recorded growth in real Gross Domestic Product in fiscal year 2003 was**

- (A) 4.5% (B) 4.1% (C) 5.1%  
(D) 5.8% (E) 3.9%

**Q.5 The total volume of exports of Pakistan in the fiscal year 2003 was close to:**

- (A) \$11 billions (B) \$11 trillion (C) \$ 20 billions  
(D) \$ 8 billions (E) \$ 15 billions