

CONTINUE

00:59:33



Name: DEMO_ECI_NAME

CRN: DEMO_ECI

Economic Insights



Pre-Requisite Competencies

Economic Insights

INSTRUCTIONS

Carefully read the following instructions before attempting the test:

- | | |
|----|--|
| 1. | The total duration of the test is 1 hour . No specific time is allocated to individual questions, and questions may be attempted in any sequence. |
| 2. | All questions are compulsory. Each question carries 02 marks . |
| 3. | There is no negative marking. |
| 4. | The requirement of each question should be read carefully before selecting your answer. |
| 5. | Your answers are saved automatically when you navigate between questions. You may also click SAVE , NEXT , or BACK to ensure your |

CONTINUE

00:59:29



Carefully read the following instructions before attempting the test:

1. The total duration of the test is **1 hour**. No specific time is allocated to individual questions, and questions may be attempted in any sequence.
2. All questions are compulsory. Each question carries **02 marks**.
3. There is no negative marking.
4. The requirement of each question should be read carefully before selecting your answer.
5. Your answers are saved automatically when you navigate between questions. You may also click **SAVE**, **NEXT**, or **BACK** to ensure your answer is saved.
6. You are not allowed to open or use any other application or website during the exam.
7. A calculator is available within the exam software. You may use an external calculator only if it is included in the list of permissible calculators issued by ICAP.
8. A notepad is present within the exam software for rough work.
9. Any workings made in the notepad will not be considered for marking.
10. Discussion with any other student during the exam is strictly prohibited. If you have any confusion or queries, please contact the nearest invigilator or centre supervisor.

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Question: 1/25
Marks: 02

NEXT SAVE END

Overview

1 2 3 4 5 6 7 8 9 10

00:59:18

Name: DEMO_ECI_NAME CRN: DEMO_ECI

Economic Insights

Which **TWO** of the following constitute injection into the circular flow of income?

Selection Option(s)

- Government expenditures on goods and services
- Investments by businesses
- Savings
- The value of imports

18°C Clear

Search

1:35 am 19/12/2025

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Question: 2/25
Marks: 02
Name: DEMO_ECI_NAME

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Overview
1 2 3 4 5 6 7 8 9 10

00:59:11

CRN: DEMO_ECI

Economic Insights

Which **TWO** of the following normally happen in the recession phase of the business cycle?

Selection Option(s)

- A rise in the level of wages
- A fall in the level of national output
- A rise in the level of unemployment
- A rise in the rate of inflation

18°C Clear Search hp ? M

1:35 am 19/12/2025

Which of the following is **NOT** part of a country's Gross Domestic Product?

- | Selection | Option(s) |
|-----------------------|-----------------------------|
| <input type="radio"/> | Net income from abroad |
| <input type="radio"/> | Salaries of school teachers |
| <input type="radio"/> | Investment expenditure |
| <input type="radio"/> | Company profit |

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Question: 4/25
Marks: 02

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Overview
1 2 3 4 5 6 7 8 9 10

00:59:01

Name: DEMO_ECI_NAME CRN: DEMO_ECI

Economic Insights

The basic concept that underlies the accelerator theory of investment is:

Selection Option(s)

- investment is determined by the volume of commercial bank lending
- investment in an economy is a function of output
- investment is inversely related to the rate of interest
- investment depends on the level of savings

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1:36 am 19/12/2025

Question: 5/25 Marks: 02 BACK NEXT SAVE END Overview 1 2 3 4 5 6 7 8 9 10 00:58:25 Economic Insights

Name: DEMO_ECI_NAME CRN: DEMO_ECI

Which **TWO** of the following factors might cause an upward shift in the country's consumption function?

Selection Option(s)

- Reduction in the supply of credit
- Decrease in consumer confidence
- Reduction in interest rates
- Decrease in tax rates

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Question: 6/25
Marks: 02

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Overview
← 2 3 4 5 6 7 8 9 10 11 →

00:58:15

Name: DEMO_ECI_NAME CRN: DEMO_ECI

Economic Insights

A price floor set above the market equilibrium price is likely to cause:

- | Selection | Option(s) |
|-----------------------|-----------------|
| <input type="radio"/> | excess supply |
| <input type="radio"/> | excess demand |
| <input type="radio"/> | constant supply |
| <input type="radio"/> | constant demand |

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Question: 7/25
Marks: 02
Name: DEMO_ECI_NAME

Overview
3 4 5 6 7 8 9 10 11 12

BACK NEXT SAVE END

00:58:10

CRN: DEMO_ECI

Economic Insights

If the demand curve for a firm's output is perfectly elastic, then the firm is:

Selection Option(s)

- perfectly competitive
- monopolistically competitive
- an oligopolistic
- a monopolist

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1:37 am 19/12/2025

Which of the following is **NOT** a feature of monopolistic competition?

Selection Option(s)

- Non-price competition
- A large number of firms
- Differentiated products
- Identical products

The following data relates to a country, Ruritania, which is capable of producing the following combinations of consumer goods and capital goods with a given quantity of resources and technology:

Consumer goods	140	120	100	70	0
Capital goods	0	60	80	100	120

Ruritania, after full utilization of its resources, is currently producing 70 units of consumer goods. The opportunity cost to Ruritania in terms of capital goods if it decides to produce 50 more units of consumer goods would be _____ units of capital goods.

Selection Option(s)

- 60
- 120
- 40
- 80

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Question: 11/25
Marks: 02
Name: DEMO_ECI_NAME

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Overview
7 8 9 10 11 12 13 14 15 16

CRN: DEMO_ECI

00:57:44

Economic Insights

A firm, in the short run, would stop production if:

Selection Option(s)

- total costs equals total revenue
- marginal cost equals marginal revenue
- total revenue is less than total fixed cost
- total revenue is less than total variable cost

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Question: 10/25
Marks: 02
Name: DEMO_ECI_NAME

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Overview
6 7 8 9 10 11 12 13 14 15

CRN: DEMO_ECI

00:57:51

Economic Insights

Which **TWO** of the following statements are **NOT** true for the planned economic system?

Selection Option(s)

- Presence of consumer sovereignty
- Auto-adjusted price mechanism
- Less duplication of resources
- Productive resources are owned by the state

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Question: 12/25
Marks: 02

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Overview
8 9 10 11 12 13 14 15 16 17

00:57:38

Name: DEMO_ECI_NAME CRN: DEMO_ECI

Economic Insights

Which **TWO** of the following features are more likely to be found in a free-market economy than in a planned economy?

Selection Option(s)

- An incentive to innovate
- Increase in competition among firms
- An even distribution of wealth
- Production of goods for the benefit of society as a whole

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Question: 13/25 Marks: 02 BACK NEXT SAVE END Overview 9 10 11 12 13 14 15 16 17 18 00:57:34 Economic Insights

Name: DEMO_ECI_NAME CRN: DEMO_ECI

Total revenue minus explicit cost is equal to:

- | Selection | Option(s) |
|-----------------------|-------------------|
| <input type="radio"/> | operating profit |
| <input type="radio"/> | gross profit |
| <input type="radio"/> | economic profit |
| <input type="radio"/> | accounting profit |

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Question: 14/25
Marks: 02
Name: DEMO_ECI_NAME

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Overview
10 11 12 13 14 15 16 17 18 19

00:57:26

CRN: DEMO_ECI

Economic Insights

Which **TWO** of the following factors would cause the supply curve to shift to the left?

Selection Option(s)

- The government imposes higher production taxes
- The price of the good decreases
- The price of input increases
- Prices of complements go down

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Which of the following is a basic economic problem?

Selection Option(s)

- Unlimited wants and scarce resources
- Lower incomes and higher taxes
- Unemployment and inflation
- Balance of payment deficits and recession

Question: 16/25 Marks: 02 BACK NEXT SAVE END Overview 12 13 14 15 16 17 18 19 20 21 00:56:59 Economic Insights

Name: DEMO_ECI_NAME CRN: DEMO_ECI

Which **TWO** of the following are held constant along the demand curve?

Selection Option(s)

- Quantity
- Income
- Price
- Consumer preference

Cross elasticity of demand for complementary goods is always:

- | Selection | Option(s) |
|-----------------------|-----------|
| <input type="radio"/> | positive |
| <input type="radio"/> | infinity |
| <input type="radio"/> | zero |
| <input type="radio"/> | negative |

Question: 18/25
Marks: 02

BACK **NEXT** **SAVE** **END**

Overview

14 15 16 17 18 19 20 21 22 23

00:56:47

Name: DEMO_ECI_NAME CRN: DEMO_ECI

Economic Insights

Which of the following is regarded as 'Fiat money'?

Selection Option(s)

- Gold
- Credit card
- Gold standard
- US dollar

Question: 19/25 **Marks: 02** **BACK** **NEXT** **SAVE** **END** **Overview** **00:56:41**  **Economic Insights**

← 15 16 17 18 19 20 21 22 23 24 → **CRN: DEMO_ECI**

Slow economic growth and high unemployment refer to:

Selection Option(s)

- wage spiral inflation
- stagflation
- deflation
- hyper inflation

Question: 20/25
Marks: 02
Name: DEMO_ECI_NAME
CRN: DEMO_ECI
Economic Insights

Overview
16 17 18 19 20 21 22 23 24 25

00:56:31

Murad pays a tax of Rs. 100 on his income of Rs. 1,000, while Sohail pays a tax of Rs. 200 on his income of Rs. 800. Identify the tax system prevailing in the country.

- | Selection | Option(s) |
|-----------------------|--------------|
| <input type="radio"/> | Regressive |
| <input type="radio"/> | Progressive |
| <input type="radio"/> | Equitable |
| <input type="radio"/> | Proportional |

Question: 21/25 **Marks: 02** **BACK** **NEXT** **SAVE** **END** **Overview** 16 17 18 19 20 21 22 23 24 25 00:56:27  **Economic Insights**

Name: DEMO_ECI_NAME CRN: DEMO_ECI

Natural rate of unemployment is the combination of:

- | Selection | Option(s) |
|-----------------------|---------------------------|
| <input type="radio"/> | frictional and seasonal |
| <input type="radio"/> | frictional and structural |
| <input type="radio"/> | cyclical and structural |
| <input type="radio"/> | frictional and cyclical |

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Question: 22/25
Marks: 02

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Overview
16 17 18 19 20 21 22 23 24 25

00:56:22

Name: DEMO_ECI_NAME CRN: DEMO_ECI

Economic Insights

Which **TWO** of the following are examples of contractionary monetary policy?

Selection Option(s)

- Increase in short-term interest rates
- Decrease in reserve to be maintained with the central bank
- Decrease in spending on infrastructure
- Increase in sales of government securities

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Question: 23/25
Marks: 02

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Overview
16 17 18 19 20 21 22 23 24 25

00:56:14

Name: DEMO_ECI_NAME CRN: DEMO_ECI

Economic Insights

Which of the following is **NOT** a function of the central bank?

Selection Option(s)

- Lending funds to private businesses
- Acting as a banker for the federal government
- Making loans to banks
- Regulating the money supply

18°C Clear Search hp 1:38 am 19/12/2025

Which of the following measures is likely to boost a country's rate of economic growth?

Selection Option(s)

- Tax cuts
- Reduction in subsidies
- Decrease in government spending
- Reduction in tax rebates

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Question: 25/25
Marks: 02

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Overview
16 17 18 19 20 21 22 23 24 25

00:56:02

Name: DEMO_ECI_NAME CRN: DEMO_ECI

Economic Insights

A Pakistani resident makes an investment in a company resident in the United States. This transaction will be recorded in Pakistan as:

Selection Option(s)

- debit in the current account
- credit in the capital account
- credit in the current account
- debit in the capital account

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