



Economics

The sample questions are related to the JAIBP Stage 2 course “*Economics*”. The students are advised to thoroughly read the exam guidelines and the syllabus guide for this course before start studying for the paper. The questions are shared to give an idea to the student about the paper format and types of questions. For further information visit the IBP website www.ibp.org.pk

Multiple Choice Questions

Each MCQ carry one mark.

- Q1.** The bowed shape of the production possibilities curve illustrates:
- A. The law of increasing marginal cost B. The production is inefficient
(Answer)
- C. The production is unattainable D. The demand is relatively inelastic
- Q2.** An increase in the prices of raw materials and other components used in the production processes of different industries, cause:
- A. Demand-Pull Inflation B. Cost-Push Inflation (Answer)
- C. Monetary Inflation D. Export Inflation
- Q3.** Which of the following is NOT a macro-economic policy?
- A. Fiscal Policy B. Monetary Policy
- C. International Economic Policy D. Firm’s Output/ Production Policy
(Answer)