

**NED University of Engineering and Technology**  
**Department of Economics and Management Sciences**  
**MS Economics and Finance (Weekend and Evening)**

**Sample Test Paper for the graduates with Economics, Business Administration,  
Management Sciences, and Commerce**

Note: Attempt all questions and use given answer sheets only.

**PART A – Choose the best answers (Choose the correct answer) – This section may include at least  
80 MCQs**

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1- Fixed cost per unit \_\_\_\_\_

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|--|--|--|---------------------|
| A. changes according to the volume of production | B. be flexible according to the rate of interest | C. does not change with the volume of production | D. remains constant |
|--|--|--|---------------------|
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2- The cost of capital of a firm is \_\_\_\_\_.

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|--|--|--|---|
| A. the dividend paid on the equity capital | B. the weighted average of the cost of various long-term and short-term sources of finance | C. the average rate of return it must earn on its investments to satisfy the various investors | D. the minimum rate of return it must earn on its investments to keep its investors satisfied |
|--|--|--|---|
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3- Unpaid and unrecorded expenses are called

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|---------------------|---------------------|------------------------|------------------|
| A. prepaid expenses | B. accrued expenses | C. additional expenses | D. none of these |
|---------------------|---------------------|------------------------|------------------|
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4- When no firm or consumer is large enough to affect the market price, the market is assumed to have?

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|------------------------|--------------------------|-------------------|------------------|
| A. perfect competition | B. imperfect competition | C. no competition | D. none of these |
|------------------------|--------------------------|-------------------|------------------|
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5- A government decided to increase its expenditure on a major infrastructure project by building new roads. What would decrease the multiplier effect of the project if it had occurred at the same time?

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|--------------------------|---------------------------------------|------------------------------|--|
| A. A decrease in imports | B. A decrease in the rate of interest | C. An increase in income tax | D. An increase in the marginal propensity to consume |
|--------------------------|---------------------------------------|------------------------------|--|
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6- The current policy rate announced by the State Bank of Pakistan is

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|--------|--------|--------|--------|
| A. 15% | B. 17% | C. 19% | D. 22% |
|--------|--------|--------|--------|
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7- An electric bus covers 660 KM in 12 hours. In 18 hours, how much distance will the electric bus cover?

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- |          |          |          |          |
|----------|----------|----------|----------|
| A. 880KM | B. 850KM | C. 990KM | D. 980KM |
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8- The scale applied in statistics, which imparts a difference of magnitude and proportions, is considered as

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A. nominal scale                  B. ordinal scale                  C. interval scale                  D. ratio scale

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9- What is the mode of the call received on 7 consecutive days as 11, 13, 13, 17, 19, 23, 25?

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A. 11                                  B. 13                                  C. 17                                  D. 23

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10- The strike by the workers was \_\_\_\_\_ with a heavy hand.

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A. got down                          B. set down                          C. put down                          D. taken down

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**PART B – Analytical Writing (write 150 to 200 words on each of the following)**

At least two cases may be given to write concise notes on them