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Full Name _____ Grade - 12 Section _____ 4 th Quarter Final mode Exam

Subject –Eco Year: 2012 E.C Exam. Room: _____ ***Time allowed: 2Hr***

General instruction:- write the letter which corresponds to the correct answer in the space provided to each question on the separate answer sheet .

1. Which one of the following is the feature of a capitalistic economy?
   A. Right to private property
   B. Maximum social welfare
   C. Freedom of enterprise
   D. Inequality of income
2. A production possibility curve is:
   A. a horizontal straight line
   B. a vertical straight line
   C. an upward sloping curve
   D. a down ward sloping curve
3. A closed economy doesn't allow :
   A. Sale of goods to household
   B. Sale of good to the government
   C. Sale of good to the other countries
   D. Sale of good among different firms
   E. All of the above
4. A price change:
   A. Affect the consumer ability to buy
   B. Affect the consumer willingness to buy
   C. Changes the taste of consumers.
   D. All of the above
   E. None of them are answers
5. Demand reflects the quantity that consumers:
   A. Want at alternative price
   B. Need at alternative price
   C. Are willing and able to buy at alternative price
   D. Can buy at alternative price
   E. All of the above are answers.
6. Which one of the following is not held constant in defining the demand schedule?
   A. Income
   B. Number of consumers
   C. Price of related good
   D. Prices of the good in question
   E. None of them are answers
7. A movement along a demand cure can be caused by change in:
   A. Income

B. The price of substitute or compliment
C. Expectation about the future price
D. The price of the good in question.
E. All are answers

8. Any good or service that comes out of a production process is known as:
   A. Output C. labor
   B. Input D. Economic resources
9. Suppose the average product of 6 workers is 150 unit of a good and that of 7 workers is 170 units. The seventh worker equals.
   A. 200 B. 270 C. 290 D. 220 E. 190
10. When short run average product of labor is declining but positive. The marginal product of labor is:
   A. Negative B. declining C. zero D. any of these is possible
11. When the short run MPL is negative:
   A. TP is also negative C. TP is rising at constant rate
   TP is declining D. TP is rising but in diminishing rate
12. Price competition is usually found in:
   A. Oligopoly C. perfect competition
   B. Monopolistic competition D. All of the above
13. The AR = MR =AC situation is:
   A. A short run equilibrium position
   B. A break-even point for PCM
   C. A long run equilibrium position
   D. B and C
   E. All are answers
14. A monopoly firm expands its output when:
   A. When MC is greater than MR C. When MR equals with MC
   B. When MR is greater than MC D. When MR less than zero
15. In the short run , a PCM maximizes its profit in:
   A. TC is less than TR
   B. MR = MC = AR and MC is rising
   C. MR = MC = AR and MC is falling
   D. A and C
   E. All are answers
16. The phase of business cycle during which business confidence in the economy at its lowest is known as:
   A. Peak B. depression C. recovery D. contraction
17. Labor force consists of all those :
   A. Who are fit to work C Who are available to work
   B. Who are willing to work D. All of the above
18. Which one of the following is tax revenue of the government?
   A. Custom duty C. pension contribution
   B. Fines D. fees
19. Which of the following is indirect tax?
   A. Dividend tax C. sales tax
   B. Income tax D. business tax

20. Which one of the following is direct tax?

A. Excise tax
B. Income tax
C. stamp duty
D. sales tax

21. Which one of the following is a capital expenditure of the government?

A. Payment of pension
B. Payment of subsidy of production
C. Purchase of machinery
D. Loans granted to state government

22. Which one of the following is recurrent expenditure?

A. Payment of salaries
B. **Purchase of buildings**.
C Purchase of machineries
D. Loan granted to a state governmen

23. If goods and service are valued at the prevailing price of the, it will be valuation at:

A. Constant price
B. Current price
C. cost price
D. extra ordinary price

24. Net export will be negative if :

A. Export exceeds import
B. Exports and imports are equal
C. Import exceeds export
D. All are answers
E. None of the above

25. The sale of the second hand good is not included in GDP because :

A. It is not current year production
B. These goods are available in cheaper price
C. These goods are less useful
D. These goods have a short life

26. Pension and unemployment allowances are :

A. Transfer income
B. Generated income
C. mixed income
D. income earned

27. Indirect taxes are not included in national income because :

A. They are not factor income
B. They are an income of lesser value
C. They affect price of goods
D. They are income for the government

28. A commission received by broker on sale of second hand goods will be included in GDP because :

A. Commission is being received in cash?
B. it is an income for the service rendered during the current year
C. broker service are very important
D. Commission ads to the price of goods.

29. Income from theft smuggling, pick pocketing is not included in national income because:

A. They do not result in flow of income
B. These are illegal activities
C. These are anti-social activities
D. These forms of income are easily earned

30. At the break-even point :

A. Disposable income is equal to consumption
B. Income is less than consumption
C. Income is more the than consumption

D. All are answers
E. None of the above

31. Important consideration for investment are :
A. Safety of funds
B. Rate of interest
C. Return on investment
D. All of the above

32. Autonomous is investment is :
A. Income in - elastic
B. Income elastic
C. Dependent up on interest rate
D. Dependent up on rate of corporate tax

33. The consumption function is the relationship between
A. Level of consumption and investment
B. Level of income and consumption
C. Level of income and saving
D. Level of saving and income

34. The saving function is relationship between :
A. Level of saving and investment
B. Level of saving and consumption
C. Level of saving and income
D. All are answers
E. None of the above

35. Equality between exports and imports implies
A. Trade deficit
B. Trade balance
C. trade surplus
D. none of these

36. International trade increases :
A. Consumption of goods and service
B. Efficiency of an economy
C. Specialization of labor
D. All of the above
E. None of them are answers

37. The sum total money value of exports and imports is known as :
A. Volume of trade
B. Value of trade
C. total trade
D. none of these

38. Which of the following is soft currency
A. Indian rupee
B. US dollar
C. British pound
D. French Franc

39. An increase in international value of currency of a country :
A. Makes imports costlier
B. Makes imports cheaper
C. Makes its export cheaper
D. All of them
E. None of these

40. Aggregate demand is determined by :
A. Population of the country
B. Cost of inputs
C. Managerial efficiency
D. State of technology
E. All are answers

41. To control the situation of deficit demand :
    A. Government expenditure is reduced
    B. Tax rate are increased
    C. Public borrowing is increased
    D. The bank rate is reduced
    E. None of them
42. A reduction in bank rate is :
    A. A contractionary fiscal policy C An expansionary monetary policy
    B. An expansionary fiscal policy D. A contractionary monetary policy
43. To control the situation of excess DD :
    A. The central bank reduce tax rate
    B. The central bank reduce government securities
    C. The central bank decrease CRR
    D. All are answers
    E. None of these are answers
44. In case of inflationary gap :
    A. AD is greater than AS C. AD less than AS
    B. AD equals AS D None of the above
45. The contribution of the agricultural sector to Ethiopia GDP is more than :
    A. 40% B. 50% C. 60% D. 70%
46. The contribution of industrial sector to Ethiopia GDP is less than :
    A. 10% B. equals to 10 % C. more than 10% D. all
47. Which of the following is not major manufacture in Ethiopia?
    A. Textile C. Leather products
    B. Motor cars D. Sugar
48. The current estimate of Ethiopia's population is :
    A. Over 80 million C. Over 50 million
    B. Over 100 million D. Over 150 million
49. The military government ruled the country :
    A. During 1940s C After 19- 91
    B. Between 1957-1962 D. Between 1974-1991
50. One of the following is the dominant farming structure in Ethiopia :
    A. The large scale animal husbandry C. Small holder farming system
    B. State farms D. The collective farm system
51. Which of the following is not role of agriculture in the Ethiopia economy
    A. Source of raw material for non-agro based industry D. All of the above
    B. Source food supply
    C. Source of foreign currency
52. The livestock sub sector contributes to country's GDP is :
    A. 15- 20% B.30-40% C. 5-10% D.45-48%
53. Ethiopia's largest share of export earning obtained from :
    A. Chat B. coffee C. leather products D. all
54. Agricultural development approach adopted by the imperial regime was :
    A. Uni – modal B. bi-modal C. Tri-modal D. all.
55. The dominance of private sector come to an end during the time of :
    A. The imperial period C. During EPRDF
    B. The Dreg regime D. The current government

56. The contribution of manufacturing value added to GDP is higher in one of the following African countries;

A. Kenya B. Ethiopia C. Egypt D. None

57. Identify the argument refers to a capacity of a developed industrial sector to generate more foreign currency:

A. Linkage argument C. Employment argument

B. Balance of payment argument D. All of the above

58. Of all sector in the developing countries, one of the following has more potential to create job opportunities for the urban population :

A. The industrial sector C The service sector

B. The agricultural sector D. All are possible answer

59. In term of value added to the large – and medium –scale sub- sector, which one of the following is dominant?

A. Textile C. Foo an beverage

B. Wood and furniture D. Chemicals

60. Revenue obtained from sales is relatively high in which of these?

A. Food and beverages C. Metals

B. Non- metal D. Leather and furniture

61. Identifies the industrial group that contributed than 75% of the sector's total employment

A. Food and beverages, textile and metal

B. Food and beverage , textile leather and shoes

C. Food and beverage , leather and shoes, and wood

D. Food and beverages, chemicals and textiles

62. Conscious effort to promote rial development started during

A. 1950,s B . 1970,S C. 1980,S D.1990,S

63. Main agent for the expectation of the Industrial sector during the imperial era were

A. Ethiopian

B. Foreign national, particularly Russians

C. Florien nationals resident in Ethiopia

D. All are possible answers.

64. Which of the factors that gives the major reason to the expansion?

A. Settlement of foreigner C. tax holiday

B. Expansion of commercial farms D. All

65. The objective of undertaking a public- enterprise reform program when the new government assumed power was to

A. Enhance efficiency

B. Increase productivity and competitiveness in private enterprises

C. Increase productivity and competitiveness in public Enterprises

D. All except C

66. ADLI envisaged

A. An increasing in agricultural production

B. An increase in the demand for industrial goods

C. Making agriculture a source of domestic demand

D. Strengthening intersector linkage between agriculture and industry

67. Which of the following is included in the service sector?

A. Mining B. Constriction C. Agriculture D. Transportation

68. Which of the following are following are major problems of the health sector?

A. The quality of the facilities

B. Low resource utilization capacity
C. Inadequate management performance
D. All of the above

69. Which one is different from the rest?
A. Infant mortality rate (IMR)
B. Child mortality rate (CMR)
C. Maternal mortality rate (MMR)
D. Pupil- teacher ratio (PTR)
E. None of the above

70. Which of the following is categorized under the service sector?
A. Education B. Health care C. Mining D. Communication E. All expet ′C′

71. Which sector is the important sector?
A. Agriculture B. Industry C. Service sector D. None of the above

72. Which sector is the second largest sector, in terms of contribution to GPD?
A. Service B. Agriculture C. Industry D. None of the above

73. Identify the similarity between domestic and international trade :
A. Both enlarge the consumption choice of people
B. Both bring goods that can't be produced locally
C. Both encourage the diffusion of knowledge and culture
D. None of the above

74. _____ Is a kind of restriction that places a limit on the amount of product that enter in to a country
A. Quota
B. Tariff
C. Exchange control
D. Al are possible answers

75. Identify the common mode of payment for imports in Ethiopia today.
A. Bill of exchange
B. Banker's transfer
C. Letter of credit
D. All of the above