Pakistan Economy MCQs with Answers

25 questions with answers and one-line explanations, grouped by topic. Free revision bank from Ranjha Solutions (ranjhasolutions.com). Figures are from the Pakistan Economic Survey 2024-25 and State Bank of Pakistan data for FY2024-25.

The State Bank & money

1. Which institution is the central bank of Pakistan?

A. National Bank of Pakistan
B. State Bank of Pakistan
C. Habib Bank
D. Federal Board of Revenue

Answer: B — State Bank of Pakistan. The State Bank of Pakistan issues the rupee and sets monetary policy.

2. When did the State Bank of Pakistan start working?

A. 14 August 1947
B. 1 July 1948
C. 23 March 1956
D. 1 January 1960

Answer: B — 1 July 1948. The Bank commenced operations on 1 July 1948 and was inaugurated by Quaid-e-Azam Muhammad Ali Jinnah.

3. Where is the head office of the State Bank of Pakistan?

A. Islamabad
B. Lahore
C. Karachi
D. Rawalpindi

Answer: C — Karachi. The State Bank's head office is on I. I. Chundrigar Road, Karachi.

4. What is the currency of Pakistan?

A. Pakistani rupee (PKR)
B. Taka
C. Dinar
D. Riyal

Answer: A — Pakistani rupee (PKR). Pakistan's currency is the Pakistani rupee, code PKR.

5. Which is the State Bank's main tool for controlling inflation?

A. The policy (interest) rate
B. Printing more notes
C. Fixing shop prices
D. Banning imports

Answer: A — The policy (interest) rate. Raising the policy rate makes borrowing costlier, which cools spending and prices.

Trade, exports & remittances

6. Which group earns Pakistan the most from exports?

A. Textiles and clothing
B. Rice
C. Sports goods
D. Surgical instruments

Answer: A — Textiles and clothing. Textile exports were $17.9 billion in FY2024-25 — over half of all goods exports.

7. Which country buys the most of Pakistan's exports?

A. China
B. United Kingdom
C. United States
D. United Arab Emirates

Answer: C — United States. The United States took about $5.8 billion of exports in FY2024-25, around 18% of the total.

8. Which country sends the most remittances to Pakistan?

A. United Kingdom
B. Saudi Arabia
C. United States
D. Canada

Answer: B — Saudi Arabia. Saudi Arabia sent $13.1 billion in FY2024-25, ahead of the UAE on $11.6 billion.

9. How much did overseas Pakistanis send home in FY2024-25?

A. $22.4 billion
B. $30.3 billion
C. $38.3 billion
D. $45.1 billion

Answer: C — $38.3 billion. Remittances hit a record $38.3 billion in FY2024-25 — more than goods exports of $32.3 billion.

10. What is Pakistan's biggest import by value?

A. Mobile phones
B. Tea
C. Petroleum products (oil and gas)
D. Palm oil

Answer: C — Petroleum products (oil and gas). Refined petroleum, crude oil and gas together top the import list, ahead of palm oil.

Tax, budget & FBR

11. Which body collects federal taxes in Pakistan?

A. State Bank of Pakistan
B. Federal Board of Revenue
C. Securities and Exchange Commission
D. National Accountability Bureau

Answer: B — Federal Board of Revenue. The FBR collects federal taxes such as income tax, sales tax and customs duty.

12. When does Pakistan's financial year begin?

A. 1 January
B. 1 April
C. 1 July
D. 1 October

Answer: C — 1 July. Pakistan's financial year runs from 1 July to 30 June.

13. What is the standard rate of sales tax in Pakistan?

A. 5%
B. 12%
C. 17%
D. 18%

Answer: D — 18%. The standard sales tax rate is 18%, charged on the price of taxable goods and services.

14. What is the name of the government's annual income-and-spending plan?

A. The federal budget
B. The finance bill
C. The economic survey
D. The monetary policy statement

Answer: A — The federal budget. The federal budget sets out expected revenue and planned spending for the year.

15. Which tax is taken from a salaried person's pay before they receive it?

A. Sales tax
B. Income tax (deducted at source)
C. Property tax
D. Customs duty

Answer: B — Income tax (deducted at source). Employers deduct income tax at source from salaries under the Income Tax Ordinance, 2001.

Agriculture & industry

16. About what share of Pakistan's GDP comes from agriculture?

A. About 10%
B. About 24%
C. About 40%
D. About 55%

Answer: B — About 24%. Agriculture was 23.5% of GDP in FY2024-25 and employs over 37% of workers.

17. Which crop is known as “white gold” in Pakistan?

A. Wheat
B. Sugarcane
C. Cotton
D. Rice

Answer: C — Cotton. Cotton is called white gold because it feeds Pakistan’s textile industry.

18. Which province grows the most wheat in Pakistan?

A. Sindh
B. Punjab
C. Khyber Pakhtunkhwa
D. Balochistan

Answer: B — Punjab. Punjab is Pakistan’s breadbasket and grows the largest wheat crop.

19. Pakistan is one of the world’s largest exporters of which grain?

A. Maize
B. Barley
C. Rice
D. Millet

Answer: C — Rice. Pakistan is among the world’s top rice exporters, led by Basmati.

20. Which sector contributes the most to Pakistan’s GDP?

A. Agriculture
B. Industry
C. Services
D. Mining

Answer: C — Services. Services were 58.4% of GDP in FY2024-25, ahead of agriculture (23.5%) and industry (18.1%).

Debt, IMF & the wider economy

21. What does CPEC stand for?

A. China-Pakistan Economic Corridor
B. Central Pakistan Energy Commission
C. China-Punjab Export Council
D. Combined Pakistan Economic Charter

Answer: A — China-Pakistan Economic Corridor. CPEC is the China-Pakistan Economic Corridor, a package of energy and infrastructure projects.

22. Which port is the centrepiece of CPEC?

A. Karachi
B. Port Qasim
C. Gwadar
D. Ormara

Answer: C — Gwadar. Gwadar port on the Arabian Sea is the flagship project of CPEC.

23. How much is the IMF’s Extended Fund Facility for Pakistan approved in September 2024?

A. About $3 billion
B. About $7 billion
C. About $12 billion
D. About $25 billion

Answer: B — About $7 billion. The IMF approved a 37-month Extended Fund Facility of about $7 billion on 25 September 2024.

24. What was Pakistan’s real GDP growth in FY2024-25?

A. 0.6%
B. 2.68%
C. 4.5%
D. 6.1%

Answer: B — 2.68%. Real GDP grew 2.68% in FY2024-25, according to the Pakistan Economic Survey.

25. What was Pakistan’s average inflation rate in FY2024-25?

A. 4.5%
B. 12.3%
C. 21.5%
D. 29.2%

Answer: A — 4.5%. Average inflation fell to 4.5% in FY2024-25, the lowest in nine years.

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