

ICS Part 2 Economics English Medium Online Test

Sr	Questions	Answers Choice
1	We can increase rate of economic growth in Pakistna if we icrease.	A. Investment B. Population C. Imports D. taxes
2	Investment spending included the purchase of.	A. Lottery coupon B. Prize Bond C. Residential construction D. all of the above
3	Balance of payments of country includes.	A. Current account B. Monetry Account C. Capital Account D. All of the above
4	People do not care for environmetn problems because of.	A. Lack of education B. Fear of taxes C. Proverty D. a and c of the above
5	Mobility of labour	A. Increases efficiency of labour B. Spolic labour C. Incresases division of labour D. a and c above
6	The goods which arw used directly by the people are called.	A. Consumer goods B. Capital good C. Direct good D. None
7	Exchange rate for currencies is determined by supply and demand in system of.	A. Fixed exchange B. flexible C. Constatn D. Regulated
8	According to keynes demand for money is affected by	A. Income B. Rate of instest C. Literacy rate D. a and b of above
9	Foreign Trade are	A. Benefits developed countries B. Benefits underdeveloped countires C. Benefits all countries D. Benefits democreitive countries
10	Commodity sector contributes to national income of Pakistan.	A. 40% B. 50% C. 60% D. 70%
11	This is not a Principal of taxation	A. Principal of equality B. Pricipal of secrecy C. Principal of adequacy D. Principal of convenience
12	According to Keynes motives for holding money are.	A. Two B. Three C. Four D. Five
13	Central banks rate of lending to commericalbanks is called.	A. Interest rate B. Discount rate C. Money rate D. Inflation rate
14	It is transfer payment	A. Payment o college tuition B. A social securiy payment C. Payment for a leased car D. Intrest paid for a bank loan
15	Value of money and supply of money are related.	A. Inversely B. Directly C. Govt.Law D. Are not related

16	Trade between two countries can be useful if cost ratios of goods are.	A. Equal B. Different C. Undertimed D. Decreasing
17	Personal income includes.	A. Direct taxes B. Indirect taxes C. Depreciation D. None of the above
18	In the equation $MV = Py$, V represents	A. Value of money B. Velocity of circulation of money C. Variation of nation income D. All of the above
19	If money supply in a country decreases	A. Price will rise B. Price will fall C. Rate of interest falls D. B and C of above
20	This is NOT money	A. Currency B. Prize Bond C. Demand deposit in a bank D. Coins
21	In Pakistan Income tax is	A. Progressive tax B. Regressive tax C. Proportional tax D. Fixed tax
22	Barter means.	A. Trade through metallic money only B. Trade of goods only excluding services C. Trade without use of money D. Trade of low value goods only
23	Public spending on health is	A. Less than 1% B. More than 1 but less than 2% C. More than 2 but less than 3% D. More than 3
24	We measure national income by this method.	A. Expenditure method B. Income method C. Product method D. As of the above
25	When the nation's money supply is Rs. 1200 million and GDP is Rs. 4800 billion, velocity of circulation money is.	A. 0.25 B. 4 C. 0.4 D. Billion Rupees
26	When value of money falls, they benefit more	A. Debtors B. Lenders C. Farmers D. Industrialist
27	Monetary policy has the objective	A. Decrease unemployment rate B. Decrease tax rate C. Decreases inflation rate D. a and c of the above
28	It is deducted from GNP to find NNP	A. Saving B. Direct taxes C. Depreciation allowance D. Subsidies
29	Working population in Pakistan is in the ratio of total population	A. 1/3 B. 1/2 C. 1/4 D. 1/5
30	According to Malthus Population increases by Progression of kind	A. Systematic B. Arithmetic C. Geometric D. Automatic
31	Literacy rate is lower in	A. Males B. Females C. Urban Areas D. B and C above
32	Which organisation controls the banking system in most countries.	A. Central Bank B. Commercial bank C. Investment bank D. World bank
33	Which statement is true	A. $NNP = GNP - \text{Depreciation}$ B. $NNP = NI$ C. $NNP = DPI$

$$D. NNP = GNP + Depreciation$$

34	Cross cheque has a cross sign in the	A. Right side upper comer B. Right side lowr comer C. It does not have cross sign D. Left side upper corner
35	It can change money supply	A. National Assembly B. Supreme court C. Government D. State Bank
36	Economic Development	A. Is the same as economic growth B. Means improvement in lifestyle C. Exists when there is equal distributio of income D. All of the above
37	Macroeconomics is concerned with.	A. Aggregate economic activity B. Spending decisions of households C. Hod to produce goods D. How tobuy stocks and bonds
38	Which is the sourceof interest for a bank	A. Advances B. Bills discounted C. Investments D. All
39	In Pakistan, taxes are leived by	A. Prime Minister of Pakistan B. President of Pakistan C. Federal cabinet of ministers D. National Assembly
40	Treasury bill is used for	A. Getting short term loans by central bank B. Getting long term loans C. Collecting govt. taxes D. Make payments of utility bills
41	Progressive taxes	A. Incereasegovernemnt revenue B. Bring equality in distributio nof incomes C. Act as panality for rich people D. a and b of above
42	Oneof he following is NOT a feature of private finance.	A. Balancing of incoem and expenditure B. Secrecy C. Publicity D. Saving some part of income
43	This is a difficulty of barter	A. Lack of double coincidence of wants B. Diffculty to produce goods at larger scale C. Lack of divisiblility of many goods D. All of the above
44	In the equation $MV = PY$ represents	A. Money supply B. Money Demand C. Maximum output D. Minimum Optput
45	Total value of allfinal goods andservices produced annually by a country.	A. NNP B. GNP C. GDP D. NI
46	Govt. taxatio and spending policieis are called.	A. Fiscal policy B. Monetary policy C. Commercial policy D. Finance policy
47	Banks discout it and advance loans.	A. Draft B. Bill of exchange C. Pay Order D. Gold
48	If we include it. national income will be over estimated	A. Transfer payment B. Income from abroad C. Illegal income D. Exports
49	Governmet finance is called.	A. National finance B. Public finance C. Private finance D. a and b above

50	What would encourage trade between two countries.	A. Reduced tariffs B. Quality control C. Different tax system D. Fixing import quotes
51	State bank of Pakistan is run by	A. Board of directors B. Board of managers C. Board of governors D. Board of bankers
52	Rupee is a coin	A. Full value B. Token money C. Credit money D. Convertible
53	Money Material should be	A. Abundant B. Scarce C. Beautiful D. Heavy
54	PI is equivalent to	A. DPI Minus personal taxes B. DIP Plus unearned receipts C. DPI Minus income earned but not received D. NI plus unearned receipts minus personal taxes
55	Visible exports include	A. Remittance B. Computer Hardware C. Computer software D. Transport cost
56	Purchasing power of money during deflation is.	A. Increased B. Reduced C. Constant D. Fluctuating
57	In Pakistan money account is	A. Paisa B. Rupee C. Gold D. Dollar
58	Acting as lender of last resort a central bank lend to.	A. Money market B. Stock exchange C. Commercial Bank D. Does not lend
59	Marginal propensity to consume MPC is.	A. Total income spent on consumption B. Ratio of additional income consumed C. Ratio of total income consumed D. Consumption divided by saving
60	Paper money in Pakistan is	A. Inconvertible B. Convertible C. Linked to gold D. None of the above
61	A TV set purchased from a retail store is an example of.	A. Final goods B. Surplus goods C. Capital goods D. Intermediate goods
62	GNP includes	A. A loan from a bank B. A loan from one's parents C. A broker's commission D. Gifts and donations
63	If $C = 200$ and $I = 40$ Then Y will equal	A. 160 B. 240 C. 200 D. 8000
64	The most important feature of money	A. General acceptability B. Store of value C. Convertibility into gold D. Medium of exchange
65	Many people do not send their children to schools because of	A. Their own illiteracy B. Harsh teachers C. Poverty D. All of the above
66	Total number of branches of Pakistani banks is approximately	A. 5000 B. 10000 C. 15000 D. 20000

67	Taxes on commodities are	A. Direct taxes B. Indirect Taxes C. Progressive taxes D. Propotional taxes
68	Commercial banks accept deposits and provide	A. Money B. Loans C. Bill of exchange
69	Under normal circumstances the velocity of circulation of money in a contry is.	A. 100% B. negative C. Less than 10 D. Zero
70	It Japan and Pakistan start free trade differene in wges in two counties will	A. Increase B. Decrease C. Double D. No effect
71	If you borrow from a bak the amount which the bank charges is called.	A. Interest rate B. tax rate C. discount rate D. Market rate
72	Whcih is the mot widely used tool of monetary policy	A. Open market operations B. Issuing of notes C. Discount rate D. Cleaning house
73	The lower literacy rate in females is due to.	A. Lack of access to educational institutions B. Parental ignorance C. Discriminatory socialnorms D. all of the above
74	Contribution of Industrial sector in Pakistan economy is.	A. 24% B. 24% C. 14% D. Less than 10%
75	If CDA gets a loan from world bank for roads it willbe recorded in the balnce of payments in section.	A. Capital account B. Visible balance C. Invisible balance D. Official financing
76	Speculative demand for money depends upon	A. Income B. Investment C. Rate of Interest D. Central bank
77	If $C = 200$ and $I = 40$ then Y will equal	A. 160 B. 240 C. 8000 D. None of the above
78	Circular flow of income links	A. Income expenditure B. Govt taxes govt expenditure C. Exports ,imports D. Saving and investment
79	This steps will increase investment in Pakistan.	A. Increse taxes B. Increase population C. Increase investment rate D. Decrease intrrest rate
80	Union leaders are in a better position to bargain for higher wages if labour demand is.	A. Elastic B. Inelastic C. Very large D. Permanent
81	Balance of payment of a country has major parts.	A. 2 B. 3 C. 4 D. 5
82	Per capita Incom is.	A. Income per worker B. Incomeper hea C. Income per household D. Income per industrial unit
83	In calculating national income which one will NOT be included.	A. Exports B. Old age pensions C. Wages of lecturer D. Undistributed profit by firms
84	According to Keynes people demand money for purposes .	A. 1 B. 2 C. 3 D. 4

85	A country does not trade with other countries is called an economy	A. Open B. Closed C. Independent D. None
86	Transfer payments means.	A. Bank loans B. The payment without work C. Payments made to all factors of production D. Tax payments
87	Transfer payments means	A. Bank loans B. The payment without work C. Tax payments D. Payments made to all factors of production
88	Pakistan exports as percentage GDP are.	A. 4% B. 8% C. 12% D. 16%
89	Value of money in Pakistan is determined by	A. Govt of Pakistan B. General Price Level C. State Bank Pakistan D. Value of Dollar
90	The largest sector of Pakistan economy	A. Transport B. Agriculture C. Industry D. Trade
91	Which One is equation of exchange.	A. $PT = MV$ B. $PV = MT$ C. $PM = TV$ D. None
92	In terms of national income accounts, multiple counting refers to.	A. The addition to GNP of multiple units of a good B. Counting currently produced goods more than once C. The inclusion in GNP of gross spending and taxes D. Counting both goods and services
93	Net Exports are	A. Total Exports plus total imports B. Total exports minus total imports C. Total exports divided by total imports D. Total imports minus total exports
94	If we put this letter in the blank space we get quantity theory of money $PY = M$	A. S B. T C. V D. A
95	This is a characteristics of good money	A. High intrinsic value B. General acceptability C. Attractive design D. Easy of duplicate
96	Quantity of money has relation with value of money	A. Direct B. Indirect C. Inverse D. No relation
97	In foreign trade protection policy means.	A. Restrictions on imports B. Restrictions on exports C. Restriction on transfer of foreign exchange D. All of the above
98	Which is a monetary measure to increase employment.	A. Increase in government expenditure B. Reduce government expenditure C. Increase in interest rate D. Reducing interest rate
99	Balance sheet of a bank has two parts	A. Supply and demand for deposits B. Supply and demand of Advances C. Assets and liabilities D. Cash Reserves and loans
100	The highest government body for economic planning in Pakistan is.	A. Planning Council B. Planning Board C. Planning commission D. Planning Department

A. Credit card

101	Which type of card is not issued by commercial banks	<p>A. Green card</p> <p>B. Green card</p> <p>C. ATM Card</p> <p>D. Debit card</p>
102	Pakistan needs	<p>A. Economic planning</p> <p>B. Population Planning</p> <p>C. Educational Planning</p> <p>D. All of the above</p>
103	Consumption spending does NOT include.	<p>A. Household's purchases of clothes</p> <p>B. Household's purchase of a car</p> <p>C. Household's payment of rent for an apartment</p> <p>D. Household's purchase of shares of a business corporation</p>
104	There are obstacles to rapid economic development of Pakistan	<p>A. Social</p> <p>B. Political</p> <p>C. Cultural</p> <p>D. All of the above</p>
105	Population Growth rate in Pakistan is	<p>A. 0.9%</p> <p>B. 19%</p> <p>C. 2.9 %</p> <p>D. 3.9%</p>
106	Open Market Operations is	<p>A. Buying and selling govt securities</p> <p>B. Buying and selling shares of companies</p> <p>C. Buying and selling bills of exchange</p> <p>D. Buying and selling foreign exchange</p>
107	Who is unemployed	<p>A. House wife</p> <p>B. College Student</p> <p>C. A freshly graduated engineer who is searching for a job</p> <p>D. A peer who lives on gifts from mureeds</p>
108	Cash can NOT be directly drawn from a bank against	<p>A. Cross Cheque</p> <p>B. Order cheque</p> <p>C. Bearer cheque</p> <p>D. Traveller cheque</p>
109	Life expectancy in Pakistan is	<p>A. Less than 60 years</p> <p>B. Between 60 and 70 years</p> <p>C. Between 70 and 80 years</p> <p>D. More than 80 years</p>
110	Nationalisation of banks was done in	<p>A. 1974</p> <p>B. 1976</p> <p>C. 1978</p> <p>D. 1980</p>
111	Life expectancy in Pakistan is	<p>A. 57</p> <p>B. 67</p> <p>C. 77</p> <p>D. 87</p>
112	GNP is	<p>A. Total Sales in the economy</p> <p>B. Total monetary transactions in an economy</p> <p>C. Sum of market values of all goods and services produced in an economy</p> <p>D. Total spending in an economy</p>
113	Transfer payments are not included in national income because.	<p>A. Such payments are made to persons living abroad</p> <p>B. Double counting would result</p> <p>C. They are illegal</p> <p>D. There is no method to account for these</p>
114	It is assumption of quantity theory of money	<p>A. Velocity of circulation of money constant</p> <p>B. Affects only industrial sector</p> <p>C. Makes distribution of national income better</p> <p>D. Has no effect on distribution of income</p>
115	It is included in kind of money	<p>A. Legal money</p> <p>B. Credit money</p> <p>C. Taken money</p> <p>D. All of the above</p>

116	Working population is percent of total population of Pakistan.	A. 23% B. 33% C. 43% D. 53%
117	Which of the following is a withdrawal from the circular flow of income stream.	A. Taxation B. Consumption C. Subsidies D. Investment
118	It would increase the level of national income.	A. An increase in taxation B. A reduction in government spending C. An increase in exports D. Students scholarships
119	Standard of living of worker depends upon their	A. Nominal wages B. Real wages C. Average product D. Govt. Policy
120	If no money is used to exchange goods it is called.	A. Barter B. Currency C. Black Market D. Free Trade
121	When economic development takes place.	A. Market imperfections increase B. Population increases C. Capital stock increases D. All of the above
122	Every country establishes central bank to	A. Issue notes B. Supervise commercial bank C. Give loans to businessmen D. a and b of above
123	Which is a flow concept.	A. Number of my shirts B. My monthly income C. My total wealth D. Money Supply
124	Credit money is created by	A. Central bank B. Commercial Bank C. Government D. All of the above
125	It creates difficulties in measurement of national income of Pakistan	A. Low literacy rate B. Parliamentary form of Govt C. Huge imports D. High Taxes
126	It is direct tax	A. Excise tax B. Sales tax C. Income tax D. Custom duty
127	The following is not a bank liability.	A. Demand deposit B. Time deposit C. Loan D. Saving Deposit
128	Foreign Trade	A. Increases employment opportunities B. Increases international mobility of labour C. Increases competition D. All of the above
129	Cheque is	A. Legal Money B. Credit money C. Paper money D. Not money
130	Short term loans can be obtained in.	A. Money market B. Capital market C. Exchange market D. Stock Market
131	Contribution of agriculture in Pakistan's national income is	A. 19% B. 29% C. 39% D. 49%
132	The percentage of our labour force working in agriculture is.	A. 13% B. 24% C. 33% D. 43%
133	Govt. prepares its budget	A. Weekly B. Monthly

133	Govt. prepares its budget	C. Quarterly D. Annually
134	Labour includes	A. The inventor B. The innovator C. The unskilled worker D. All of the above
135	National Bank of Pakistan is	A. Industrial Bank B. Commercial Bank C. Central Bank D. Investment Bank
136	Demand deposits are	A. Bank notes B. Money C. Considered as near money D. Legal money
137	The receipt of payments for goods exported and imported are counted in .	A. Capital Account B. Trade Account C. Current account D. Monetary account
138	Base year of Pakistan for national accounting is.	A. 1985-86 B. 1995-96 C. 2005-06 D. 2015-16
139	Pakistan is not a member of	A. IMF B. ECO C. OPEC D. World Bank
140	The most important source of income of a government is.	A. Foreign loans B. Printing of New money C. Sale of government property D. Taxes
141	This will cause decrease in national income.	A. Rise in exports B. Rise in saving C. Increase in taxes D. B and C above
142	First women bank is	A. Govt Bank B. Privat bank C. Non Scheduled bank D. Investment Bank
143	If GNP of Pakistan rises. It will encourage	A. Exports B. Imports C. Both D. None
144	If TOYOTA Company establishes a factory in Pakistan this will be recorded in balance of payments in the section.	A. Capital account B. Visible balance C. Invisible balance D. Official financing
145	In the world population wise Pakistan is	A. 4th B. 5th C. 7th D. 10th
146	It is NOT an instrument of monetary policy	A. Bank rate B. Open market operations C. Change in reserve ratio D. Issue notes
147	The nature of unemployment due to mechanization of agriculture is	A. Seasonal B. Structural C. Frictional D. Permanent
148	Govt policy about exports and imports is called.	A. Monetary policy B. Fiscal policy C. Commercial Policy D. Finance policy
149	A bank has Rs. 5 million in cash The minimum reserve ratio is 20% What is maximum potential increase in total deposits.	A. 25 m B. 10 m C. 5 m D. 0 m
150	If a person is more interested to earn income he should deposit his money in	A. Demand deposits B. Time deposit C. Saving account D. Profit loss account

A. Fiscal policy

151	Govt. taxing and spending policies are called.	B. Public policy C. Monetary Policy D. Economic policy
152	Convert money means.	A. It can buy goods B. Govt. give gold against C. Illegal money D. Low value money
153	Forest cover in Pakistanis.	A. 2% B. 4% C. 6% D. 8%
154	In Pakistan government budget is prepared by	A. National Assembly B. President of Pakistan C. Ministry of Finance D. State Bank of Pakistan
155	This will cause an increase in national income	A. Rise in exports B. Fall in consumer spending C. Rise in imports D. Increase in saving
156	When National income is estimated by expenditure method we include.	A. All govt expenditure B. All households expenditure C. All of the above D. All expenditure of the business sector
157	Which statement is true of the relationship between bond prices and bond yields.	A. They are inversely B. They are not related C. They are directly D. They are related in long run and not in the short run
158	Theory of comparative advantages was presented.	A. Ricardo B. Adam Smith C. Hicks D. Arshad
159	When a commercial bank creates credit. Its immediate effect is that it raises.	A. The exchange rate B. The money supply C. The interest rate D. The real national income
160	National Bank of Pakistan was established in	A. 1949 B. 1959 C. 1960 D. 1979
161	Which is the most widely used tool of monetary policy	A. Open market operation B. Clearing house C. Discount rate D. Issuing of the note
162	Largest Sector of Pakistan economy is.	A. Agriculture B. Industry C. Transport D. Services
163	It increases rate of capital formation	A. Less saving B. New Technology C. Rapid Population growth D. High Interest
164	Out of the following the only recognised legal tender is.	A. Bank notes B. Cheque C. Draft D. Credit card
165	GNP is always.	A. Less than NNP B. Greater than NNP C. Equal to NNP D. Is found from NNP
166	When economic development takes place	A. Market imperfections increase B. Population increases C. Capital stock increases D. B and C above
167	Foreign trade creates among countries.	A. Conflicts B. Cooperation C. Hatred D. None
168	Which one of the NOT a principle of taxation	A. Principle of equality B. Principle of morality C. Principle of certainty

169	It is not a factor of economic development	A. Money B. Land C. Capital D. Technology
170	Which of the following is not included in personal income	A. Social security benefits B. Dividend payments C. Undistributed corporate profits D. Interest received from saving certificates
171	A bank has Rs5 million in cash. The minimum reserve ratio is 20% What is maximum potential increase in total deposits	A. 0 B. 5 m C. 10 m D. 25 m
172	Aggregate demand means.	A. Aggregate saving B. Aggregate Income C. Aggregate investment D. Aggregate expenditure
173	Flexible exchange rate system has the advantage.	A. Automatic adjustment of balance of payments B. Easy to borrow from world bank C. Encourages exports D. None of the above
174	The Government can collect funds from	A. Taxes B. Fees C. Prices of public goods D. All the three
175	Credit money is controlled by	A. Central bank B. Market forces C. Commercial Bank D. Government
176	Which is the characteristic of good money	A. Has good design B. Has high value C. Has a fixed value in gold D. Is readily accepted by people
177	Measurement of economic development is based on.	A. Monetary income B. Real Income C. Future income D. Permanent Income
178	It is the medium of exchange	A. Black money B. Currency C. Near money D. Foreign exchange
179	In which form the largest percentage of national income is earned.	A. Interest income B. Proprietor's income C. Employees wages D. Rental income
180	Ten Rupee note is	A. Token money B. Credit money C. Legal Money D. a and c of above
181	Profit and loss sharing is basis of finance under this system.	A. Islamic B. Capitalistic C. Socialistic D. None
182	Which source a private company cannot use?	A. A Bank loan B. Tax C. Selling new shares in stock exchange D. Direct finance
183	Unemployment due to mechanization of agriculture is.	A. Seasonal B. Structural C. Industrial D. Personal
184	Every country establishes central bank to	A. Issue currency B. To establish commercial bank C. To prepare government budget D. All of the above
185	If a person is interested that his amount should be readily available as soon as he needs he should deposit his money in.	A. Demand deposits B. Time deposit C. Saving account

		D. Profit loss account
186	Demand deposit are	A. Money B. Bank note C. Legal Money D. Considered to near money
187	Commercial bank in Pakistan are supervised by	A. State Bank B. National Bank C. Finance Minister D. World Bank
188	In economics one of more persons living in a joint family are called a	A. Community B. Social gathering C. Super family D. Household
189	The four factor payments are.	A. Money, Capital, salaries, and income B. Wages, rent interest and profits C. Money, power, Prices, and wwealth D. Wags, intrest, salareis,andtaxes.
190	The equation of exchange $PT = MV$ was given by	A. Fisher B. Crowther C. Kuznet D. Keynes
191	The largest type fo in come in the Pakistan is	A. Compensation of employees B. Propretors income C. Rental income D. Corporate profits
192	It is avoided to make correct estimate of national income.	A. Free services B. Double counting C. Export earnings D. All of the above
193	The largest type of income in the Pakistan is	A. Compensation of employees B. Rental income C. Proprietors income D. Coporate profits
194	Two countries can gain from foreign trade if	A. Cost ratios are differnet B. Traiff rates are different C. Price ratios are different D. a and c above
195	State Bank was established in	A. 1948 B. 1950 C. 1952 D. 1954
196	Cash cannot be directly obtaines from a bank against	A. Cross cheque B. Order cheque C. bearer cheque D. Traveller cheque
197	In equilibrium of nationalincome.	A. $S > I$ B. $S = I$ C. $S < I$ D. All are true
198	They are NOT much affected by rising prices.	A. Salaried persons B. Business C. Debtors D. Importers
199	Literacy rate in Pakistan is.	A. 40% B. 50% C. 60% D. 70%
200	Corporae tax is levied on	A. Landdlords B. Inporters C. Big companies D. Municipal corporations
201	State Bank policy of regulating intrst rate is called.	A. Monetary policy B. Commerical policy C. Banking policy D. Fiscal policy
202	In 2018 Pkistan's total population stands approximately at	A. 11 cores B. 21 cores C. 31 cores D. 41 cores

A. The rise of government revenue

203	National income is a measure of	<p>A. The sum of government revenue</p> <p>B. Payments made to factor of production</p> <p>C. Production of goods per day</p> <p>D. Total working hours</p>
204	The money called legal tender includes.	<p>A. Currency notes and credit cards</p> <p>B. Currency notes and bank deposits</p> <p>C. Currency notes and coins</p> <p>D. Currency notes and cheques</p>
205	A skilled worker is an example of.	<p>A. Scarcity</p> <p>B. An entrepreneur</p> <p>C. The labour input</p> <p>D. a and c above</p>
206	By 2018 Pakistan's total population reached approximately	<p>A. 180 million</p> <p>B. 210 million</p> <p>C. 240 million</p> <p>D. 270 million</p>
207	Ric countries have deficit in their balance of payments	<p>A. Some times</p> <p>B. Never</p> <p>C. Alternate years</p> <p>D. Always</p>
208	Demand deposits are.	<p>A. Money</p> <p>B. Banks notes</p> <p>C. Legal money</p> <p>D. Considered and near money</p>
209	Pakistan's domestic saving rate is	<p>A. 2%</p> <p>B. 7%</p> <p>C. 17%</p> <p>D. 27%</p>
210	An asset is liquid when it is	<p>A. Being traded frequently</p> <p>B. Earning a good rate of return</p> <p>C. Is money or easily converted into money</p> <p>D. All of the above</p>
211	The step will increase saving in Pakistan	<p>A. Increase in taxes</p> <p>B. Decrease in taxes</p> <p>C. increase in population</p> <p>D. Increase imports</p>
212	Final balance of the payment of a country is	<p>A. Always balance</p> <p>B. Always deficit</p> <p>C. Always surplus</p> <p>D. Fluctuates</p>
213	Commercial Bank create	<p>A. Credit money</p> <p>B. Token money</p> <p>C. Legal Money</p> <p>D. Do not create money</p>
214	Infant mortality rate in Pakistan is.	<p>A. 45</p> <p>B. 65</p> <p>C. 85</p> <p>D. 105</p>
215	They have a functional relation	<p>A. Consumption and national income</p> <p>B. Consumption and saving</p> <p>C. Consumption and investment</p> <p>D. All of the above</p>
216	Whom of the following propounded principles of taxation	<p>A. Keynes</p> <p>B. Adam Smith</p> <p>C. Marshall</p> <p>D. Ghazali</p>
217	Forest in Pakistan are decreasing because.	<p>A. Population pressure</p> <p>B. Poor conservation planning</p> <p>C. Climatic changes</p> <p>D. All of the above</p>
218	It is NOT an instrument of monetary policy	<p>A. Discount Rate</p> <p>B. Open market operation</p> <p>C. Change in reserve ratio</p> <p>D. Issue notes</p>
219	In circular flow model	<p>A. Govt. owns productive resources</p> <p>B. Firms own productive resources</p> <p>C. Households own productive resources</p> <p>D. Rent of land is not included</p>
220	IMF is	<p>A. International Monetary Funds</p> <p>B. International Money Flow</p>

220	IMF Means	B. International Money Flow C. International Money Forum D. International Monetary finance
221	Discount rate of State Bank of Pakistan is	A. Less than 5% B. More than 5% but not more than 15% C. More than 15% but not more than 25% D. More than 25%
222	National income equals.	A. $C + I + G$ B. $C - I - G$ C. $C - S - G$ D. $C + S + G$
223	10- Rupees note is issued by	A. National Bank B. State Bank C. Govt of Pakistan D. Governor State bank
224	A Tariff	A. Increase the volume trade B. Reduces the volume of trade C. Has no effect on volume of trade D. a and c above
225	Transfer payments include.	A. Daily wages, pensions B. Pensions Zakat C. Taxes, pocket money D. Zakat, taxes
226	Which type of cheque is more safe for transfer of money	A. Cross cheque B. Order cheque C. Traveller cheque D. Bearer cheque
227	State bank was established in .	A. 1948 B. 1950 C. 1952 D. 1954
228	During inflation	A. Lenders lose borrowers gain B. Borrowers and lenders both lose C. Borrowers lose lenders gain D. All sections of the society gain
229	Our exports mainly consist of.	A. Cotton Product B. Machinery C. Sports goods D. a and c above
230	If government increases taxes private savings.	A. Increase B. Decrease C. Do not change D. Will become zero
231	Consumption is a function of.	A. Saving B. Investment C. Income D. Expenditure
232	All labour is	A. Homogeneous B. Heterogeneous C. Lazy D. Intelligent
233	Equilibrium of national income will be when	A. $S > I$ B. $S < I$ C. $S = I$ D. $S - I$
234	Productivity of labour can be increased by	A. Raising minimum wages B. Raising average wages C. Increasing skills of workers D. All of the above
235	The contribution of industrial sector to GDP is.	A. 10% B. 20% C. 30% D. 40%
236	Pakistan is an economy	A. Developing B. Developed C. Fast growing economy D. a and c above
237	There are stock exchanges in Pakistan.	A. 1 B. 3 C. 4

238	Which is likely to be higher in a developing country like Pakistan.	A. Birth Rate B. GDP per head C. Life expectancy D. Net investment per head
239	Government securities.	A. Mean Currency B. Are near money C. Are bought and sold on stock exchange market D. B and C of above
240	Cross cheque has two lines drawn on	A. Right side upper corner B. Left side upper corner C. Right side lower corner D. In the Centre
241	For the economy prices are beneficial	A. Falling slowly B. Rising slowly C. Rising fast D. Falling fast
242	The quantity demanded of money rises.	A. As the interest rate falls B. As the interest rate rises C. As the supply of money falls D. As the number of banks rises
243	Which of the following would NOT be included in GNP	A. Govt. Transfer payments B. Govt. Purchase of an air plane C. Payment for construction of highway D. Salary paid for the president's secretary
244	Which of the following compares average price of exports to average Price of imports.	A. Balance of payments B. Balance of trade C. Terms of trade D. Exchange of rate
245	10-Rupees note is issued by	A. National Bank B. State Bank C. Govt. of Pakistan D. Governor State bank
246	Which type of cheque is least safe for transfer of money	A. Bearer cheque B. Traveller cheque C. Order cheque D. Cross cheque
247	If saving exceed investment then	A. National income rises B. National income falls C. National income is not affected D. None of the above
248	It is considered as investment	A. Construction of a house B. Purchase of an old house C. Salaries of college professors D. a and b above
249	Total value for all final goods and services produced annually by a country.	A. NNP B. GNP C. GDP D. NI
250	Policy of Protection in trade	A. Facilitates trade B. Protects local producers C. Protects foreign producers D. Protects exporters
251	Which one is investment in economics	A. Building a factory B. Buying shares in stock exchange C. Depositing money in bank D. Depositing money with housing society
252	The share of 20% of population which forms the lowest income group gets share of Pakistan's national income as.	A. 6% B. 9% C. 12% D. 15%
253	The bank can give loans	A. Unlimited B. Equal to deposits C. Less than deposits D. More than deposits
254	All are advantages of foreign trade Except.	A. People get foreign exchange B. Difference in political system C. Difference in markets

		C. Difference in markets D. Difference in ideology
255	Govt. transfer payment include	A. Social security benefits B. Welfare benefits C. Student scholarships D. All of the above
256	Value of money means	A. General purchasing power of money B. Gold purchased by money C. Demand for money D. Importance of money
257	Bank Prepare their balace sheet.	A. Weekly B. Monthly C. Quarterly D. Annualy
258	The most important source of income of a goernemnt is.	A. Foreign loans B. Taxes C. Printing of new money D. Sale of governemnt property
259	Medium term plan covers	A. Less than 2 years B. 3 to 5 years C. 5 to 10 years D. 10 to 15 years
260	This is a characteristic of good money	A. High intrinsic value B. Liquidity C. Attractive design D. Easy to duplicate
261	Therre are methods of measurieng natinal income	A. 5 B. 4 C. 2 D. 3
262	Whis is the largest figure	A. NNP B. GNP C. DPI D. PI
263	Which type of card is not issued by central banks	A. Credi card B. Debit card C. ATM Card D. None is issued by it
264	Whenthe state bank wants be decrease money supply in the country it.	A. Buys govt securities is stock market B. Sells govt securities C. Lowers siscount rate D. B and C
265	Commercial banks are able to create money by	A. Making loans B. Printing Money C. Moral suasion Selling government loans D. Printing money
266	Central banks rate of lending to commercial banks is called.	A. Money rate B. Control rate C. Intrested rate D. Discount rate
267	Which of the following is an example of primary production	A. Production of computer B. Farmer grwoing wheat C. Opening of new school D. House wife bakes a cakes
268	Undisributed proits are considered.	A. Income enrnred but not received B. Income eearned and received C. Income received but not earned D. None of the above
269	Which is considered liablility by a bank	A. Loans B. Bank building and equipment C. Time deposit D. Securities
270	To determine the correct level of GNP ,it is necessary to.	A. Add up the values of goods and services during one year B. Add up all savings C. Count all imports D. Add up the value of semi finished goods

271	Average growth rate of Pakistan's national income in past five years have been	B. 15% C. 23% D. 33%
272	Prograssive taxes	A. Are harmful for the economy B. Bring equality in distributio of income C. Compel rich people to be honest D. Decrease evasion of taxes
273	Which of the following is international trade	A. Trade between provinces B. Trade between countries C. Trade between regions D. Trade between continents
274	A closed economy is best described as one in which	A. there are no monopolies B. No corporations C. No externalities D. No international trade
275	Demand deposit mean	A. Saving account B. Chequeable deposits C. Profit loss account D. Time deposits
276	Private sector participation is expending in.	A. Education B. Health C. Environment D. a and b of the above
277	Central Bank rate lending to commercial banks is called.	A. Discount rate B. Money rate C. Control Rate D. Interest rate
278	Which measure has the larger value .	A. NNP B. GNP C. GDP D. NI
279	Real national income increases when	A. Prices of goods are rising B. National savings increases C. Quantity of goods and services increases D. None of the above
280	Banks discount it and advance loans.	A. Draft B. Bill of Exchange C. pay order D. Gold
281	Which is money	A. Cheque B. Credit card C. Currency D. Prize Bond
282	The following is not a bank liability.	A. Demand Deposit B. Time deposit C. Loans D. Saving Deposit
283	Environment includes.	A. Ecosystem B. Wildlife C. Forests D. All of the above
284	Velocity of circulation of money means.	A. Total demand for money B. Annual increase in currency notes C. Number of times a unit of money changes hands D. total supply of money
285	Direct taxes are not included in	A. DPI B. PI C. NNP D. a and c above
286	Pakistan per capita income is less than.	A. Japan B. India C. Korea D. All
287	Visible goods are recorded in this part of balance of payments account	A. Current account B. Capital account C. Govt account D. Official Account
288	National Bank is.	A. Public Sector bank B. Private Bank C. Microfinance bank

		C. Microfinance bank D. Specialised bank
289	Which of the followign tax is best example of ability to pay principle of taxes	A. excise tax on cigaratettes B. Highway tolltax C. Personal income tax D. Proportional sales tax
290	The largest share in Pakistan's GNP is that of.	A. Services B. Industry C. Agriculture D. Banking
291	The government spends on education percentage of GDP	A. 2 B. 6 C. 8 D. 10
292	The bank established for loans to very small enterprises is called.	A. Micro Finance Bank B. Modarba Bank C. SME bank D. Firs Mini Bank
293	Acting as lender of last resort a central bank lends to.	A. Commercial Bank B. Stock exchange C. Money markets D. Does not lend
294	National Income is.	A. Total Income earned in producing the national product B. All taxes plus govt. spending C. Sum of personal income and saving D. NNP minus the capital consumption allowance
295	Exports of goods is called trade in	A. Visible good B. Invisibel goods C. Basic goods D. None real goods
296	National Income = Ntional Expenditure is an	A. Equation B. Identity C. Function D. None
297	When the country development	A. Per capita incoe rises B. Specialization increases C. Urbanization rises D. All of the above
298	What would encourage trade betwene two countries.	A. Different tax system B. Frontier checks C. National currencies D. Reduce traiff
299	Which is a function of commercial bank	A. Acting as a govt. banker B. Fixing the exchange rate C. Making loans D. Issueing bank notes
300	Gross nationa product includes	A. A loan from one's parents B. A loan from a domestic bank C. A loan from other countries D. None of theabove
301	Which one is per capita income is	A. Per worker income B. Per person Income C. Per family income D. Per Industtrial unit income
302	Which is not a Function of money	A. Make demand and supply equal B. Medium of exchange C. Store of value D. Meaasure of value
303	Pakistan started its first five year plan in	A. 1947 B. 1950 C. 1955 D. 1960
304	It helps countries to meet deficit in balcne of payments.	A. IMF B. WTO C. World Bank D. UNO
305	Pakistan Started its planning expence with	A. Colombo plan B. Tokyo plan C. Karachi Plan

		C. National Plan D. London Plan
306	International trade and domestic trade differ because of.	A. Trade restrictions B. Immobility of factors C. Difference govt Policy D. All of the above
307	Which statement is true	A. National Income = National expenditure - indirect taxes B. $NI = GNP - NNP$ C. $NI = P1$ D. $NI = NNP - \text{Indirect taxes}$
308	Invisible items in balance of payments include.	A. Foreign remittances B. Income from tourism C. Interest charges D. All the three
309	Which shows equilibrium of national income	A. Consumption = investment B. Saving = investment C. Saving > investment D. Saving < investment
310	Pakistan Per capita income of constant prices in 2020 is in dollars	A. 1450 B. 2450 C. 4450 D. 6450
311	If indirect taxes are deducted from NNP and subsidies are added, we achieve	A. Personal savings B. DPI C. National Income D. Per capita income
312	It is considered as transfer payments	A. Salaries of government employees B. Bonus of bank employees C. Employment allowance paid by govt D. Free medical care to officers.
313	Out of the following the only recognised legal tender is	A. Cheque B. Currency notes and coins C. Notes and cheques D. Credit card
314	Economic planning in Pakistan started	A. During 1950s B. During 1960s C. During 1970s D. During 1980s
315	Net investment is	A. Gross investment minus household investment B. Gross investment minus govt. investment C. Gross investment minus capital consumption allowance D. None of the above
316	Unemployment rate in Pakistan is	A. 6% B. 16% C. 20% D. More than 20%
317	Pakistan has a banking system.	A. Developed B. Underdeveloped C. Very unorganised D. Inefficient
318	Which of the following would increase national income.	A. Increase in taxation B. Increase in savings C. Increase in govt spending D. Decrease in consumption spending
319	GDP at constant prices, calculated according to some base year is called.	A. actual GDP B. Real GDP C. Net GDP D. Nominal GDP
320	Unemployment takes place because of.	A. High demand for labour B. High population growth rate C. More exports D. Higher education
321	Visible imports include.	A. Remittance B. Machinery C. Computer Software D. Transport cost

322	Credit money is created by	A. Exchange bank B. Commercial Bank C. Finance companies D. None of the above
323	MPC is always.	A. Positive B. Negative C. Zero D. More than APC
324	The largest part of national income goes to	A. Consumption B. Investment C. Saving D. Transfer payment
325	If we deduct direct tax from personal income we get.	A. Net National income B. Disposable income C. Personal saving D. Per capital income
326	It is not included in estimation of national income	A. Illegal income B. Services of house wife C. Imports D. All are not included
327	It creates credit	A. Central Bank B. Commercial Bank C. Government D. Stock exchange
328	Contribution of industrial sector in Pakistan's GDP is.	A. 20% B. 30% C. 40% D. 50%
329	Pakistan imports some goods and exports other goods primarily because of.	A. Free goods B. Comparative advantage C. Unemployment D. Self Sufficiency
330	Market value of all final goods and services produced in a country during a year is definition	A. GNP B. NNP C. NI D. Consumption
331	Country is poor if it has.	A. Less production of goods per capita B. Less amount of gold C. Less amount of foreign currency D. Less exports
332	It is counted in GDP	A. Sale price of an old car B. A TV set produced this year but not sold C. Purchase of 100 shares of PSO D. The leisure people consume
333	Net exports equal	A. Exports x imports B. Exports + imports C. exports- imports D. None of the above
334	Value of circulation money means by number of times a unit of money	A. Change hands daily B. Change hand annually C. change hands monthly D. Change purchasing power
335	IMF has given loan to Pakistan. It will improve Pakistan's	A. Current account B. Capital Account C. Overall balance of payments D. B and c above