

## Principles of Economics Icom Part 1 English Medium Chapter 13 Online Test

Sr	Questions	Answers Choice
1	Which one of the following public expenditures is related to transport	A. Police B. Defence C. Railway D. Public education
2	Government needs public finance	A. For the defence of frontiers B. To maintain law and order in the country C. For the payment of salaries of government employees D. For the welfare of the people
3	If everybody pays tax according to his financial position, it is said	A. canon of convenience B. canon of Equality C. canon of Economy D. canon of simplicity
4	During depression, a government prepares budget which is	A. Balanced B. Surplus C. Deficit D. Unbalanced
5	Over investment and over saving theory was given by:	A. Joseph Schumpeter B. Habson Foster C. Jevons D. Hawtray
6	Branches of public finance are	A. Two B. Three C. Four D. Five
7	During boom, a government prepares budget which is	A. Balanced B. Surplus C. Deficit D. Unbalanced
8	If income of government is more than its expenditures, then it is a	A. Surplus budget B. Deficit budget C. Development budget D. Balanced budget
9	Meteorological theory of trade cycle was presented by:	A. Joseph Schumpeter B. Habson Foster C. Jevons D. Hawtray
10	If the person has to pay the tax on whom it is levied, then it is called	A. Direct tax B. Indirect tax C. Proportional tax D. Progressive tax
11	Phases of trade cycle are:	A. Three B. Four C. Five D. Six
12	If every person pays tax according to his capacity, it is called	A. Canon of certainly B. Canon of equality C. Canon of productivity D. Canon of convenience
13	The rate of usher on product of canal land is	A. 5% B. 10% C. 20% D. 2.5%
14	If the rate of tax increase with the increase of level of income, is called	A. Progressive tax B. Proportional tax C. Regressive tax D. Value added tax
15	"Public finance is that branch of economics which studies the revenue and expenditures of governments institutions, their inter-relationship and financial administration" This definition is stated by	A. Bastable B. Armitage Smith C. Marshall

16	If income of the government is more than its expenditures, such budget is called	A. Surplus budget B. Deficit budget C. Balanced budget D. Capital budget
17	Number of beneficiaries of Zakat is stated in the holy Quran	A. Five B. Seven C. Eight D. Nine
18	Public finance and private finance are of each other	A. Opposite B. Synonymous C. Similar & different D. None of three
19	The revenue collection of government and spending policy is called	A. Monetary policy B. Fiscal policy C. commercial policy D. Labour policy
20	Annual rate of Zakat on cash and trading goods is	A. 2.0% B. 2.5% C. 3.0% D. 3.5%