

## Principles of Economics Icom Part 1 English Medium Chapter 9 Online Test

Sr	Questions	Answers Choice
1	The income which a person can use according to his will is called	A. Personal income B. Disposable personal income C. Net income D. Per capita income
2	Oligopoly means:	A. Single seller B. Two seller C. Multiple sellers D. Multiple buyers
3	National income is total of	A. Incomes of all entrepreneurs of the country B. Incomes of all industrialists of the country C. Incomes of all salaried persons of the country D. Incomes of all the people of the country
4	Under monopoly, the slope of MR curve is:	A. Twice the slope of AR curve B. Less than the slope of AR curve C. Greater than the slope of AR curve D. Half the slope of AR curve
5	Equilibrium of national income is, when	A. $S > 1$ B. $S = 1$ C. $S < 1$ D. S and 1
6	After subtracting depreciation allowance from gross national product is known	A. National income B. Net national product C. Personal income D. Gross domestic product
7	Period in national income counting is	A. One year B. Two years C. Three years D. Four years
8	Individual income means	A. Total of incomes received from any means by the people B. Total of incomes of entrepreneurs of the country C. Income of a particular person D. Income of a family
9	If we subtract direct taxes from personal income, we get	A. Net national income B. Net domestic income C. Disposable personal income D. Personal savings
10	One of the following is not included in net national product	A. Consumer goods B. Capital goods C. Capital formation D. Consumer goods and capital goods
11	Main elements of circular flow of national income are	A. People or house holds B. Firms C. House holds and firms D. Industrial lists
12	One of the following precautions is not included in measurement of national income by product method	A. To subtract depreciation allowance B. To subtract indirect taxes C. Not to include transfer payments D. To include subsidies
13	In the long run monopolist earns profit:	A. Normal B. Abnormal C. Super normal D. Both b and c
		A. Subtracting depreciation

14	national income is found by	allowance from gross national product B. Subtracting indirect taxes from net national product C. Adding subsidies in net national product D. Subtracting indirect taxes and adding subsidies in net national product
15	Expenditures of repair of machines are called	A. Unproductive expenditures B. Productive expenditures C. Rewards D. Depreciation allowance
16	A firm gains normal profit, where:	A. $P=AC$ B. $P>AC$ C. $P<AC$ D. $AC>AR$
17	According to professor Ackley Gardener, amounts are included in national income	A. Wages B. Rents and interests C. Profits D. All the three
18	Individuals of a country produce a certain quantity of goods and services using the resources of the country with the help of their capital, it is called national income this definition is presented by	A. Professor Marshall B. Professor Paul A Samuelson C. Professor Fisher D. Professor Pigou
19	Method of measuring national income	A. National income=Gross national product - depreciation allowance B. National income= Net national product - Indirect costs C. National income= Net national product + subsidies D. National income= Net national product - indirect taxes + subsidies
20	Under Monopoly, a firm is in equilibrium position when Ed is:	A. Equal to unity B. Less than unity C. Greater than unity D. Both b and c
21	Net foreign income is	A. Exports - imports B. Exports + imports C. Income received by exports D. Income received by imports
22	Which is subtracted from gross national product to find gross domestic product	A. Depreciation allowance B. Net income received from foreign sources C. Indirect taxes D. Transfer payments
23	According to whom economist, National income is the name of the total of production of goods and services	A. Adam smith B. Marshall C. Fisher D. Pigou
24	National income means the income	A. Which central government earns during a year B. Which provincial government earn during a year C. Total wealth of a country D. Rewards which the factors of production get during a year
25	Monopoly refers to:	A. Single buyer B. Single seller C. Single producer D. Both b and c
26	To measure national income is used	A. Product method B. Incomes of the factor method C. Expenditure method D. All the three
27	How many conditions of firm's equilibrium are there ?	A. One B. Two C. Three D. Four
28	Duopoly refers to:	A. Single seller B. Two seller C. Multiple sellers D. Multiple buyers
		A. National income B. Gross domestic product

29	Transfer payments are included in the income	B. Gross domestic product C. Personal income D. Disposable personal income
30	The term "Price Taker" is used in:	A. Perfect competition B. Oligopoly C. Monopoly D. Monopsony
31	What remains after the deduction of direct tax from the personal income	A. NNP B. NNI C. DPI D. GNP
32	----- is not included in gross domestic product	A. Private investment B. Income received from foreign country C. Depreciation allowance D. Govt. investment
33	After deducting direct tax from personal income, it is called	A. National income B. personal income C. Disposable personal income D. per capital income
34	Because of increase in national income	A. Standard of living rises B. Standard of living falls C. No change occurs D. None of three
35	"Quantity of goods and services which is consumed during a year is called national income". This definition of national income is stated by the economist	A. Marshall B. Pigou C. Adam smith D. Fisher
36	Price discrimination policy refers to:	A. Single price B. Two prices C. Multiple prices D. None of these
37	A firm gains abnormal profit, when:	A. $TR = TC$ B. $TR > TC$ C. $TR < TC$ D. $MC = MR$
38	Net national product is found by	A. Subtracting tax from gross national product B. Subtracting transfer payments from gross national product C. Subtracting depreciation allowance from gross national product D. Subtracting subsidies from gross national product
39	One is not included in measuring National income	A. Wage of labour B. services of house lady C. Agricultural production D. Industrial production
40	The term "Price Maker" is used in:	A. Perfect competition B. Oligopoly C. Monopoly D. Monopsony
41	According to Pigou national income is that part of material wealth	A. Which can be stored easily B. Which can be measured by the scale of money C. Which have volume and surrounds D. Which is exported
42	Which one of the following is not included in the methods of measuring national income	A. Method of total according to market prices B. Method of total of incomes C. Method of total of domestic necessities and desires D. Method of total expenditures
43	Which thing should be added in net national product to get gross national product	A. Direct taxes B. Indirect taxes C. Depreciation allowance D. Subsidies
44	----- are added in national income	A. Depreciation allowance B. Subsidies C. Indirect taxes D. Direct taxes

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45	Firms earn abnormal profit when:	<p>A. <math>AR &gt; AC</math>  B. <math>AR \leq AC</math>  C. <math>AR &gt; AC</math>  D. <math>AC = AR</math></p>
46	If $MC=MR=AR=AC=P$ , then a firm's gains:	<p>A. Super profit  B. Normal profit  C. Normal loss  D. Abnormal loss</p>
47	Under monopoly the price is always equal to:	<p>A. AR  B. MR  C. MC  D. AVC</p>
48	A firm suffers abnormal losses, when:	<p>A. <math>AC = AR</math>  B. <math>AVC = AR</math>  C. <math>AVC &lt; AR</math>  D. <math>AVC &gt; AR</math></p>
49	A firm is in equilibrium, where:	<p>A. <math>AR = MR</math>  B. <math>AC = MC</math>  C. <math>AC = MR</math>  D. <math>MC = MR</math></p>
50	Equilibrium level of national income means that point where	<p>A. Consumption = saving  B. Consumption = investment  C. Income = saving + investment  D. Saving = Investment</p>
51	Transfer payments are included in	<p>A. Gross domestic income  B. National income  C. Disposable personal income  D. Personal income</p>
52	"National income is that part of material wealth of a nation which can be measured by the scale of money" This definition of national income is stated by the economist	<p>A. Marshall  B. Pigou  C. Adam Smith  D. Clark</p>
53	Which one of the following is not called Gross national product	<p>A. Economic national product  B. Joint national product  C. Composite national product  D. All the three</p>
54	What is deducted from the GNP to get GDP	<p>A. Depreciation allowances  B. Net income received from abroad  C. Indirect tax  D. Transfer payments</p>
55	Which thing of the following should be subtracted from gross national product to get net national product	<p>A. Direct taxes  B. Indirect taxes  C. Depreciation allowance  D. Income received from foreign country</p>
56	Gross national product means	<p>A. Total of price of all goods produced in a country in year  B. Total of price of all consumer goods produced in the economy during a year  C. Total of goods and services produced in the economy during a year  D. Total of monetary value of goods and services produced during a year in the economy</p>
57	National income increases by	<p>A. The increase in the quantity of capital goods  B. The increase in the quantity of goods and services  C. The increase in price of goods  D. The increase in the income of entrepreneurs</p>
58	In the long run firms mostly earn normal profit in:	<p>A. Perfect competition  B. Oligopoly  C. Monopoly  D. Duopoly</p>
59	Which is not counted in national income	<p>A. Interests  B. Transfer payments  C. Profits  D. Rents</p>
60	At shut down position:	<p>A. <math>AC = AR</math>  B. <math>AVC = AR</math>  C. <math>AVC &lt; AR</math>  D. <math>AVC &gt; AR</math></p>

		D. AVC > AR
61	Disposable personal income is equal to	A. Personal income + direct taxes B. Personal income + indirect taxes C. Personal income + direct and indirect taxes D. Personal income - direct taxes
62	Disposable personal income means	A. Total of incomes B. Income of an industry after fulfilling all the needs C. After paying personal taxes, income of the people who provide factors of production D. Save income of a person after the payment of the taxes
63	Expenses of wears and tears of machinery are called	A. Productive expenses B. Non productive expenses C. Wages D. Depreciation expenses
64	Concept of equilibrium level of national income in comprehensive way was presented by	A. Professor keynes B. Professor Marshall C. Professor hicks D. Professor Lipsay
65	Basic object of a firm is to get maximum:	A. Price B. Profit C. Production D. All of three
66	Transfer payment means that income	A. Which can move from one place to order place i.g. money etc. B. Which is received without labour, e.g. Zakat, gift , pension etc C. Which is received after hardwork D. Which is received by exports
67	Difference between total revenue and total cost presents:	A. Price B. Profit C. Production D. Loss