

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

Sr	Questions	Answers Choice
1	Because of increase in national income	A. Standard of living rises B. Standard of living falls C. No change occurs D. None of these
2	Price discrimination policy refers to:	A. Single price B. Two prices C. Multiple prices D. None of these
3	Expenditures of repair of machines are called	A. Unproductive expenditures B. Productive expenditures C. Rewards D. Depreciation allowance
4	national income is found by	A. Subtracting depreciation 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
5	"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
6	What is deducted from the GNP to get GDP	A. Depreciation allowances B. Net income received from abroad C. Indirect tax D. Transfer payments
7	To measure national income is used	A. Product method B. Incomes of the factor method C. Expenditure method D. All the three
8	A firm gains normal profit, where:	A. $P=AC$ B. $P > AC$ C. $P < AC$ D. $AC > AR$
9	A firm suffers abnormal loss, when:	A. $AC = AR$ B. $AVC = AR$ C. $AVC < AR$ D. $AVC > AR$
10	One is not included in measuring National income	A. Wage of labour B. services of house lady C. Agricultural production D. Industrial production
11	In the long run monopolist earns profit:	A. Normal B. Abnormal C. Super normal D. Both b and c
12	The term "Price Taker" is used in:	A. Perfect competition B. Oligopoly C. Monopoly D. Monopsony
13	Period in national income counting is	A. One year B. Two years C. Three years D. Four years
14	Basic object of a firm is to get maximum:	A. Price B. Profit C. Production

- 15 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
- 16 Which thing of the following should be subtracted from gross national product to get net national product
A. Direct taxes
B. Indirect taxes
C. Depreciation allowance
D. Income received from foreign country
- 17 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
- 18 Duopoly refers to:
A. Single seller
B. Two seller
C. Multiple sellers
D. Multiple buyers
- 19 Transfer payments are included in the income
A. National income
B. Gross domestic product
C. Personal income
D. Disposable personal income
- 20 Main elements of circular flow of national income are
A. People or house holds
B. Firms
C. House holds and firms
D. Industrial lists