

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

Sr	Questions	Answers Choice
1	National income is total of	<p>A. Incomes of all entrepreneurs of the country</p> <p>B. Incomes of all industrialists of the country</p> <p>C. Incomes of all salaried persons of the country</p> <p>D. Incomes of all the people of the country</p>
2	Disposable personal income is equal to	<p>A. Personal income + direct taxes</p> <p>B. Personal income + indirect taxes</p> <p>C. Personal income + direct and indirect taxes</p> <p>D. Personal income - direct taxes</p>
3	In the long run firms mostly earn normal profit in:	<p>A. Perfect competition</p> <p>B. Oligopoly</p> <p>C. Monopoly</p> <p>D. Duopoly</p>
4	If we subtract direct taxes from personal income, we get	<p>A. Net national income</p> <p>B. Net domestic income</p> <p>C. Disposable personal income</p> <p>D. Personal savings</p>
5	Duopoly refers to:	<p>A. Single seller</p> <p>B. Two seller</p> <p>C. Multiple sellers</p> <p>D. Multiple buyers</p>
6	"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</p> <p>B. Pigou</p> <p>C. Adam smith</p> <p>D. Clark</p>
7	Method of measuring national income	<p>A. National income=Gross national product - depreciation allowance</p> <p>B. National income= Net national product - Indirect costs</p> <p>C. National income= Net national product + subsidies</p> <p>D. National income= Net national product - indirect taxes + subsidies</p>
8	At shut down position:	<p>A. AC = AR</p> <p>B. AVC = AR</p> <p>C. AVC &lt; AR</p> <p>D. AVC &gt; AR</p>
9	If MC=MR=AR=AC=P, then a firms gains:	<p>A. Super profit</p> <p>B. Normal profit</p> <p>C. Normal loss</p> <p>D. Abnormal loss</p>
10	Which thing should be added in net national product to get gross national product	<p>A. Direct taxes</p> <p>B. Indirect taxes</p> <p>C. Depreciation allowance</p> <p>D. Subsidies</p>
11	national income is found by	<p>A. Subtracting depreciation allowance from gross national product</p> <p>B. Subtracting indirect taxes from net national product</p> <p>C. Adding subsidies in net national product</p> <p>D. Subtracting indirect taxes and adding subsidies in net national product</p>
12	Transfer payments are included in the income	<p>A. National income</p> <p>B. Gross domestic product</p> <p>C. Personal income</p> <p>D. Disposable personal income</p>

13	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
14	How many conditions of firm's equilibrium are there ?	A. One B. Two C. Three D. Four
15	----- are added in national income	A. Depreciation allowance B. Subsidies C. Indirect taxes D. Direct taxes
16	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
17	A firm gains normal profit, where:	A. $P=AC$ B. $P>AC$ C. $P=AC$ D. $AC>AR$
18	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
19	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
20	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