ICS Part 2 Economics English Medium Chapter 1 Online Test

Sr	Questions	Answers Choice
1	A TV set purchased from a retail store is an example of.	A. Final goods B. Surplus goods C. Capital goods D. Intermediate goods
2	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
3	PI is equivalent to	A. DPI Minus personal taxes B. DIP Plus unerned receipts C. DPI Minus income earned but not received D. NI plus unearned receipts minus personal taxes
4	Transfer payments means	A. Bank loans B. The payment without work C. Tax payments D. Payments made to all factors of production
5	Whis is the largest figure	A. NNP B. GNP C. DPI D. PI
6	National income is a measure of	A. The zise of government revenue B. Payments made to facor of production C. Production f goods per day D. Total working hours
7	Govt. transfer payment include	A. Social security benefits B. Welfare benefits C. Student scholarships D. All of the above
8	The four factor payments are.	A. Money, Capital, salaries, and income B. Wages, rent internest and profts C. Money, power, Prices, and wwalth D. Wags, intrest, salareis,andtaxes.
9	Real national income increases when	A. Prics of goods are rising B. National savings increases C. Quantity of goods and services increases D. None of the above
10	If we deduct direct tax from personal income we get.	A. Net National income B. Disposable income C. Personal saving D. Per capital income
11	If C= 200 and I= 40 Than Y will equal	A. 160 B. 240 C. 200 D. 8000
12	Threre are methods of measurieng natinal income	A. 5 B. 4 C. 2 D. 3
13	In erms of national income accounts, multiple counting efers to.	A. The addition to GNP of multiple units of a good B. Counting cureently producedgoods more than once C. The inclusion in GNP of gross spending and taxes D. Counting both goods and services

14	Which statment is true	A. National Income = Naional expenditure - indirettaxes B. N1 =GNP -NNP C. N1 =P1 D. NI =NNP-Indirect taxes
15	If govermment increases taxes pivate savings.	A. Increase B. Decrease C. Do not change D. Will become zero
16	The largest type fo in come in the Pakistan is	A. Compensation of employees B. Propretors income C. Rental income D. Corporate profits
17	Corporae tax is levied on	A. Landdlords B. Inporters C. Big companies D. Municipal corporations
18	We measure natonalincome by this method.	A. Expenditure method B. Income method C. Product method D. As of the above
19	The largest part of national income goes to	A. Consumption B. Investment C. Saving D. Transfer payment
20	Country is poor if it has.	A. Less production of gods per capita B. Less amount of gold C. Less amout of foreign currency D. Less exports
21	Direct taxes are not included in	A. DPI B. PI C. NNP D. a and c above
22	Consumption spending does NOT include.	A. Household's purchases of clothes B. Household's purchase of a car C. Household's paymnet of rent for an apartment D. Household's purchase of shares of a business corporation
23	Total value of allfinal goods andservices produced annually by a country.	A. NNP B. GNP C. GDP D. NI
24	Which of the following would NOT be included in GNP	A. Govt. Transfer payments B. Got. Purchase of an air plane C. Payment for construction of highway D. Salary paid for the presidents secretary
25	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
26	When National income is estimated by expenditue method we include.	A. All govt expenditure B. All houseolds expenditure C. All of the above D. All expenditure of the business sector
27	GNP is always.	A. Less than NNP B. Grether than NNP C. Equal to NNP D. Is found from NNP
28	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
29	It is avoided to make correct estimate of national income.	A. Free services B. Double counting C. Export earnings D. All of the above

30	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
31	Circular flow of income links	A. Income expenditure B. Govt taxes govt expenditure C. Exports ,imports D. Saving and investment
32	National Income = Ntional Expenditure is an	A. Equation B. Identity C. Function D. None
33	Investment spending included the purchase of.	A. Lottery coupon B. Prize Bond C. Residential construction D. all of the above
34	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
35	Undisributed proits are considered.	A. Income enrned but not received B. Income eearned and received C. Income received but not earned D. None of the above
36	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 allsavings C. Count all imports D. Add up the value of semi finished goods
37	Which is a flow concept.	A. Number of my shirts B. My montly income C. My total wealth D. Money Supply
38	It is not included in estimation of national incoe	A. Illegal income B. Services of house wife C. Imports D. All are not included
39	Macroeconomics is concerned with.	A. Aggregate economic activity B. Spending decisions of households C. Hod to produce goods D. How tobuy stocks and bonds
40	In economics one of more persons living in a joint family are called a	A. Community B. Social gathering C. Super family D. Household
41	The largest type of income in the Pakistan is	A. Compensation of employees B. Rental income C. Proprietors income D. Coporate profits
42	Transfer payments are not included in national income becaues.	A. Such payments are made to persons livnig abroad B. Double counting would result C. They are illegal D. There is no method to account for these
43	In circular flow model	A. Govt. owns productive resources B. Firms own productive resources C. Households own productive resorces D. Rent of land is not included
44	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
45	Total value fo all final goods and services produced annually by a country.	A. NNP B. GNP C. GDP D. NI
		A. Daily wages, pensions

46	Transfer payments include.	A. Daily wages, pensions B. Pensions Zakat C. Taxes, pocket money D. Zakat , taxes
47	It would increase the lvel of national income.	A. An increase in taxation B. A reduction in governmnet spending C. An increase in exports D. Students scholarships
48	GNP includes	A. A Loan from a bank B. A loan from one's parents C. A brokers commission D. Gilfts and donations
49	Transfer payments means.	A. Bank loans B. The payment without work C. Payments made to all factors of production D. Tax payments
50	Which of the followign is not included in personali income	A. Social security benefits B. Dividend payments C. Undistributed corporate profits D. Interest received from of saving certificates
51	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
52	Which statment is true	A. NNP =GNP- Deprection B. NNP =N1 C. NNP = DPI D. NNP = GNP + Depreciation
53	Per capita Incom is.	A. Income per worker B. Incomeper hea C. Income per household D. Income per industrial unit
54	GNP is	A. Total Sales in the economy B. Total monetary transactions in an economy C. Sum of market values of all goods and services prodcued in an economy D. Totla spending in an economy
55	If we include it. national income will be over estimated	A. Transfer payment B. Income from abroad C. Illegal income D. Exports
56	The have a functional relation	A. Consumption and national income B. Consumption and saving C. Consumption and investment D. All of the above
57	The goods which arw used directly by the people are called.	A. Consumer goods B. Capital good C. Direct good D. None
58	If indirect taxes are deducted from NNP and subsidies are added. we achieve	A. Personla savings B. DPI C. National Income D. Percapita inocme
59	A closed economy is best described as one in which	A. thre are no monopolies B. No corporations C. No extemalities D. No international trade
60	It is duducted from GNP to find NNP	A. Saving B. Direct taxes C. Depreciatin allowance D. Subsidies
61	Personal income includes.	A. Direct taxes B. Indirect taxes C. Depreciation D. None of the above
62	It is considred as transfer payments	A. Salaries of govet emplyees B. Bonus of bank employees C. Inemployment allowance paid by

		govt D. Free medical are to offers.
63	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
64	If saving exceed investment then	A. National income rises B. National income falls C. National income is not affected D. None of the above
65	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
66	Which measure has the larger value .	A. NNP B. GNP C. GDP D. NI