

ICS Part 2 Economics English Medium Chapter 2 Online Test

Sr	Questions	Answers Choice
1	In equilibrium of national income.	A. $S > I$ B. $S = I$ C. $S < I$ D. All are true
2	MPC is always.	A. Positive B. Negative C. Zero D. More than APC
3	GDP at constant prices, calculated according to some base year is called.	A. actual GDP B. Real GDP C. Net GDP D. Nominal GDP
4	If $C = 200$ and $I = 40$ then Y will equal	A. 160 B. 240 C. 8000 D. None of the above
5	Which of the following would increase national income.	A. Increase in taxation B. increase in savings C. Increase in govt spending D. Decrease in consumption spending
6	National income equals.	A. $c + I + g$ B. $c - I - g$ C. $c - s - g$ D. $c + s + g$
7	Which shows equilibrium of national income	A. Consumption = investment B. Saving = investment C. Saving $>$ investment D. Saving $<$ investment
8	Marginal propensity to consume MPC is.	A. Total income spent on consumption B. Ratio of additional income consumed C. Ratio of total income consumed D. Consumption divided by saving
9	This will cause decrease in national income.	A. Rise in exports B. Rise in saving C. Increase in taxes D. B and C above
10	Consumption is a function of.	A. Saving B. Investment C. Income D. Expenditure
11	If money supply in a country decreases	A. Price will rise B. Price will fall C. Rate of interest falls D. B and C of above
12	Which one is investment in economics	A. Building a factory B. Buying shares in stock exchange C. Depositing money in bank D. Depositing money with housing society
13	This will cause an increase in national income	A. Rise in exports B. Fall in consumer spending C. Rise in imports D. Increase in saving
14	Aggregate demand means.	A. Aggregate saving B. Aggregate Income C. Aggregate investment D. Aggregate expenditure

15 Which of the following is a withdrawal from the circular flow of income stream.

- A. Taxation
- B. Consumption
- C. Subsidies
- D. Investment

16 Equilibrium of national income will be when

- A. $S > I$
- B. $S < I$
- C. $S = I$
- D. $S - I$