

ICS Part 2 Economics English Medium Chapter 2 Online Test

Sr	Questions	Answers Choice
1	Which of the following would increase national income.	A. Increase in taxation B. incerease in savings C. Increase in govt spending D. Decrease in consumption spending
2	Equilibrium of national income will be when	A. $S > I$ B. $S < I$ C. $S = I$ D. $S - I$
3	If money supply in a country decreases	A. Price will rise B. Price will fall C. Rate of intrese falls D. B and C of above
4	Which shows equilibrium of national income	A. Consumption = investment B. Saving = investment C. Saving > investment D. Saving < investment
5	This will cause decrease in natioal income.	A. Rise in exports B. Rise in saving C. Increas in taxese D. B and C above
6	This wil cause anincrease in national income	A. Rise in exports B. Fall in consumer spending C. Rise in imports D. Increase in saving
7	Which one is investment in economics	A. Building a factory B. Buyig shares in stock exchange C. Depositing money in bank D. Deposting money wiht housing society
8	GDP atconstnat prices, calculated according to some base year is called.	A. acutal GDP B. Real GDP C. Net GDP D. Nominal GDP
9	Consumption is a function of.	A. Saving B. Investment C. Income D. Expenditure
10	Marginal propensity to consume MPC is.	A. Total income spent on consumption B. Ratio of additionalincome consumed C. Ratio of total income consumed D. Consumption divided by saving
11	If $C = 200$ and $I = 40$ then Y will equal	A. 160 B. 240 C. 8000 D. None of the above
12	In equilibrium of nationalincome.	A. $S > I$ B. $S = I$ C. $S < I$ D. All are true
13	National income equals.	A. $c + I + g$ B. $c - i - g$ C. $c - s - g$ D. $c + s + g$
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 MPC is always.

- A. Positive
- B. Negative
- C. Zero
- D. More than APC