

## ICS Part 2 Economics English Medium Chapter 2 Online Test

Sr	Questions	Answers Choice
1	Aggregate demand means.	A. Aggregate saving B. Aggregate Income C. Aggregate investment D. Aggregate expenditure
2	Which shows equilibrium of national income	A. Consumption = investment B. Saving = investment C. Saving > investment D. Saving < investment
3	If C = 200 and I = 40 then Y will equal	A. 160 B. 240 C. 8000 D. None of the above
4	Consumption is a function of.	A. Saving B. Investment C. Income D. Expenditure
5	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
6	Equilibrium of national income will be when	A. S > I B. S < I C. S = I D. S - I
7	National income equals.	A. C + I + G B. C - I - G C. C - S - G D. C + S + G
8	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
9	MPC is always.	A. Positive B. Negative C. Zero D. More than APC
10	In equilibrium of national income.	A. S > I B. S = I C. S < I D. All are true
11	Which of the following is a withdrawal from the circular flow of income stream.	A. Taxation B. Consumption C. Subsidies D. Investment
12	GDP at constant prices, calculated according to some base year is called.	A. actual GDP B. Real GDP C. Net GDP D. Nominal GDP
13	This will cause decrease in national income.	A. Rise in exports B. Rise in saving C. Increase in taxes D. B and C above
14	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
15		A. Increase in taxation B. Increase in savings

15 Which of the following would increase national income.

- C. Increase in govt spending
- D. Decrease in consumption spending

16 Which one is investment in economics

- A. Building a factory
- B. Buyig shares in stock exchange
- C. Depositing money in bank
- D. Depositing money wiht housing society