

## 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. increase in savings <b>C. Increase in govt spending</b> D. Decrease in consumption spending
2	Equilibrium of national income will be when	A. $S > I$ B. $S < I$ <b>C. <math>S = I</math></b> D. $S - I$
3	If money supply in a country decreases	A. Price will rise <b>B. Price will fall</b> C. Rate of interest falls D. B and C of above
4	Which shows equilibrium of national income	A. Consumption = investment <b>B. Saving = investment</b> C. Saving $>$ investment D. Saving $<$ investment
5	This will cause decrease in national income.	A. Rise in exports B. Rise in saving C. Increases in taxes <b>D. B and C above</b>
6	This will cause an increase in national income	<b>A. Rise in exports</b> B. Fall in consumer spending C. Rise in imports D. Increase in saving
7	Which one is investment in economics	<b>A. Building a factory</b> B. Buying shares in stock exchange C. Depositing money in bank D. Depositing money with housing society
8	GDP at constant prices, calculated according to some base year is called.	A. actual GDP <b>B. Real GDP</b> C. Net GDP D. Nominal GDP
9	Consumption is a function of.	A. Saving B. Investment <b>C. Income</b> D. Expenditure
10	Marginal propensity to consume MPC is.	A. Total income spent on consumption <b>B. Ratio of additional income consumed</b> 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>B. 240</b> C. 8000 D. None of the above
12	In equilibrium of national income.	<b>A. <math>S &gt; I</math></b> B. $S = I$ C. $S < I$ D. All are true
13	National income equals.	<b>A. <math>c + I + g</math></b> B. $c - i - g$ C. $c - s - g$ D. $c + s + g$
14	Aggregate demand means.	A. Aggregate saving <b>B. Aggregate Income</b> 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

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16 MPC is always.

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

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