

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	If $C = 200$ and $I = 40$ then Y will equal	A. 160 B. 240 C. 8000 D. None of the above
3	MPC is always.	A. Positive B. Negative C. Zero D. More then APC
4	GDP atconstnat prices, calculated according to some base year is called.	A. acutal GDP B. Real GDP C. Net GDP D. Nominal GDP
5	Equilibrium of national income will be when	A. $S > I$ B. $S < I$ C. $S = I$ D. $S - I$
6	Aggregate demand means.	A. Aggregate saving B. Aggregate Income C. Aggregate investment D. Aggregate expenditure
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 additionalincome consumed C. Ratio of total income consumed D. Consumption divided by saving
9	Which of the following is a withdrawal from the circular flow of income stream.	A. Taxation B. Consumption C. Subsidies D. Investment
10	Which one is investment in economics	A. Building a factory B. Buyig shares in stock exchange C. Depositing money in bank D. Depositing money wihth housing society
11	Consumption is a function of.	A. Saving B. Investment C. Income D. Expenditure
12	This will cause decrease in natioal income.	A. Rise in exports B. Rise in saving C. Increas in taxese D. B and C above
13	This wil cause anincrease in national income	A. Rise in exports B. Fall in consumer spending C. Rise in imports D. Increase in saving
14	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

15 In equilibrium of national income.

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

16 National income equals.

- A. $c + I + g$
- B. $c - i - g$
- C. $c - s - g$
- D. $c + s + g$