

## ICS Part 2 Economics English Medium Online Test

Sr	Questions	Answers Choice
1	National Income = National Expenditure is an	A. Equation B. Identity C. Function D. None
2	It is transfer payment	A. Payment of college tuition B. A social security payment C. Payment for a leased car D. Interest paid for a bank loan
3	A TV set purchased from a retail store is an example of.	A. Final goods B. Surplus goods C. Capital goods D. Intermediate goods
4	A bank has Rs5 million in cash. The minimum reserve ratio is 20% What is maximum potential increase in total deposits	A. 0 B. 5 m C. 10 m D. 25 m
5	It is considered as investment	A. Construction of a house B. Purchase of an old house C. Salaries of college professors D. a and b above
6	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
7	The nature of unemployment due to mechanization of agriculture is	A. Seasonal B. Structural C. Frictional D. Permanent
8	Under normal circumstances the velocity of circulation of money in a country is.	A. 100% B. negative C. Less than 10 D. Zero
9	In Pakistan, taxes are levied by	A. Prime Minister of Pakistan B. President of Pakistan C. Federal cabinet of ministers D. National Assembly
10	Contribution of Industrial sector in Pakistan economy is.	A. 24% B. 24% C. 14% D. Less than 10%
11	The largest part of national income goes to	A. Consumption B. Investment C. Saving D. Transfer payment
12	Equilibrium of national income will be when	A. $S > I$ B. $S < I$ C. $S = I$ D. $S - I$
13	The most important source of income of a government is.	A. Foreign loans B. Taxes C. Printing of new money D. Sale of government property
14	IMF Means	A. International Monetary Funds B. International Money Flow C. International Money Forum D. International Monetary finance
15	The bank can give loans	A. Unlimited B. Equal to deposits C. less than deposits D. More than deposits

16	It would increase the level of national income.	A. An increase in taxation B. A reduction in government spending C. An increase in exports D. Students scholarships
17	Govt. taxation and spending policies are called.	A. Fiscal policy B. Monetary policy C. Commercial policy D. Finance policy
18	Velocity of circulation of money means.	A. Total demand for money B. Annual increase in currency notes C. Number of times a unit of money changes hands D. total supply of money
19	Which one is equation of exchange.	A. $PT = MV$ B. $PV = MT$ C. $PM = TV$ D. None
20	Corporate tax is levied on	A. Landlords B. Importers C. Big companies D. Municipal corporations