

ICS Part 2 Economics English Medium Online Test

Sr	Questions	Answers Choice
1	Which is a function of commercial bank	A. Acting as a govt. banker B. Fixing the exchange rate C. Making loans D. Issuing bank notes
2	Which one is investment in economics	A. Building a factory B. Buying shares in stock exchange C. Depositing money in bank D. Depositing money with housing society
3	The largest type of income in the Pakistan is	A. Compensation of employees B. Rental income C. Proprietors income D. Corporate profits
4	Which statement is true	A. $NNP = GNP - Depreciation$ B. $NNP = NI$ C. $NNP = DPI$ D. $NNP = GNP + Depreciation$
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	Which of the following would increase national income.	A. Increase in taxation B. Increase in savings C. Increase in govt spending D. Decrease in consumption spending
7	A bank has Rs. 5 million in cash The minimum reserve ratio is 20% What is maximum potential increase in total deposits.	A. 25 m B. 10 m C. 5 m D. 0 m
8	It is direct tax	A. Excise tax B. Sales tax C. Income tax D. Custom duty
9	Government securities.	A. Mean currency B. Are near money C. Are bought and sold on stock exchange market D. B and C of above
10	Private sector participation is expanding in.	A. Education B. Health C. Environment D. a and b of the above
11	PI is equivalent to	A. DPI Minus personal taxes B. DIP Plus unearned receipts C. DPI Minus income earned but not received D. NI plus unearned receipts minus personal taxes
12	Policy of Protection in trade	A. Facilitates trade B. Protects local producers C. Protects foreign producers D. Protects exporters
13	If saving exceed investment then	A. National income rises B. National income falls C. National income is not affected D. None of the above
14	For the economy prices are beneficial	A. Falling slowly B. Rising slowly C. Rising fast D. Falling fast

15	The most important source of income of a government is.	A. Foreign loans B. Printing of New money C. Sale of government property D. Taxes
16	Demand deposits are.	A. Money B. Bank notes C. Legal money D. Considered and near money
17	Public spending on health is	A. Less than 1% B. More than 1 but less than 2% C. More than 2 but less than 3% D. More than 3
18	Which of the following is not included in personal income	A. Social security benefits B. Dividend payments C. Undistributed corporate profits D. Interest received from saving certificates
19	It is the medium of exchange	A. Black money B. Currency C. Near money D. Foreign exchange
20	If CDA gets a loan from world bank for roads it will be recorded in the balance of payments in section.	A. Capital account B. Visible balance C. Invisible balance D. Official financing