

Principles of Economics Icom Part 1 English Medium Chapter 11 Online Test

Sr	Questions	Answers Choice
1	If we deduct direct taxes from personal income, we get:	A. NNP B. GDP C. DPI D. PI
2	The period in which an economy comes back from prosperity to depression is called	A. Recovery B. Recession C. Boom D. Depression
3	During depression, increases	A. Unemployment B. Employment C. Profit D. Production
4	Psychological theory of trade cycles is presented by	A. Prof Jevons B. Prof Pigou and Bagehot C. Prof Keynes D. Prof Hawtrey
5	Modern theory of trade cycles is presented by	A. Prof Schumpeter B. Prof Keynes C. Prof Hawtrey D. Prof Hicks and Samuelson
6	Market value of all final goods and services is known as:	A. N.I B. G.N.P C. N.N.P D. Both a and b
7	During the phase of recovery prices, wages, interest rate and profits	A. Start falling gradually B. Start rising gradually C. are highest D. are lowest
8	One of the following is not include in national income:	A. Transfer payments B. Depreciation C. Wages D. Both a and b
9	Methods for measurement of national income are:	A. Two B. Three C. Four D. Five
10	During the phase of recession prices of goods	A. Start rising B. Start falling C. are highest D. are lowest
11	National Income is also known as:	A. National product B. Total expenditure C. Total population D. Both a and b
12	During boom	A. Business contracts B. Unemployment increase C. Profit decreases D. Profit increases
13	During recession demand for factors of production is	A. More B. Limited C. Very low D. Too much
14	Which phase starts with the increase in expected rate of profit	A. Depression B. Recovery C. Boom D. Recession
15	Depreciation means:	A. Wear and Tear B. Reduction in value C. Decrease in value D. All of these

16	National income is measured for:	A. One year B. Two years C. Three years D. Four years
17	According to Prof. Kitchen a trade cycle completes in	A. Two years six months B. Three years or Fifty years C. Fifty years or Sixty years D. Sixty years or Seventy years
18	National income at factor cost is equal to:	A. G.N.P - Subsidies + taxes B. N.N.P - Direct tax + Subsidies C. G.D.P - Subsidies + taxes D. N.N.P - Indirect tax + Subsidies
19	If we deduct depreciation from GNP, we get:	A. P.I B. G.D.P C. D.P.I D. N.N.P
20	Phases of a trade cycle are	A. Two B. Three C. Four D. Five
