

Principles of Economics Icom Part 1 English Medium Chapter 9 Online Test

Sr	Questions	Answers Choice
1	After subtracting depreciation allowance from gross national product is known	A. National income B. Net national product C. Personal income D. Gross domestic product
2	In the long run monopolist earns profit:	A. Normal B. Abnormal C. Super normal D. Both b and c
3	One of the following precautions is not included in measurement of national income by product method	A. To subtract depreciation allowance B. To subtract indirect taxes C. Not to include transfer payments D. To include subsidies
4	Net foreign income is	A. Exports - imports B. Exports + imports C. Income received by exports D. Income received by imports
5	The term "Price Taker" is used in:	A. Perfect competition B. Oligopoly C. Monopoly D. Monopsony
6	Under monopoly the price is always equal to:	A. AR B. MR C. MC D. AVC
7	A firm gains abnormal profit, when:	A. $TR = TC$ B. $TR > TC$ C. $TR < TC$ D. $MC = MR$
8	Which is not counted in national income	A. Interests B. transfer payments C. Profits D. Rents
9	How many conditions of firm's equilibrium are there ?	A. One B. Two C. Three D. Four
10	A firm suffers abnormal losse, when:	A. $AC = AR$ B. $AVC = AR$ C. $AVC < AR$ D. $AVC > AR$
11	In the long run firms mostly earn normal profit in:	A. Perfect competition B. Oligopoly C. Monopoly D. Duopoly
12	Equilibrium level of national income means that point where	A. Consumption = saving B. Consumption = investment C. Income = saving + investment D. Saving = Investment
13	According to whom economist, National income is the name of the total of production of goods and services	A. Adam smith B. Marshall C. Fisher D. Pigou
14	At shut down position:	A. $AC = AR$ B. $AVC = AR$ C. $AVC < AR$ D. $AVC > AR$
		A. Subtracting tax from gross national product B. Subtracting transfer payments

15	Net national product is found by	<p>gross national product</p> <p>C. Subtracting depreciation allowance from gross national product</p> <p>D. Subtracting subsidies from gross national product</p>
16	What remains after the deduction of direct tax from the personal income	<p>A. NNP</p> <p>B. NNI</p> <p>C. DPI</p> <p>D. GNP</p>
17	The income which a person can use according to his will is called	<p>A. Personal income</p> <p>B. Disposable personal income</p> <p>C. Net income</p> <p>D. Per capita income</p>
18	To measure national income is used	<p>A. Product method</p> <p>B. Incomes of the factor method</p> <p>C. Expenditure method</p> <p>D. All the three</p>
19	Duopoly refers to:	<p>A. Single seller</p> <p>B. Two seller</p> <p>C. Multiple sellers</p> <p>D. Multiple buyers</p>
20	"Quantity of goods and services which is consumed during a year is called national income". This definition of national income is stated by the economist	<p>A. Marshall</p> <p>B. Pigou</p> <p>C. Adam smith</p> <p>D. Fisher</p>