

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

Sr	Questions	Answers Choice
1	Disposable personal income is equal to	A. Personal income + direct taxes B. Personal income + indirect taxes C. Personal income + direct and indirect taxes D. <b>Personal income - direct taxes</b>
2	Equilibrium level of national income means that point where	A. Consumption = saving B. Consumption = investment C. Income = saving + investment D. <b>Saving = Investment</b>
3	Firms earn abnormal profit when:	A. AR = AC B. AR < AC C. <b>AR &gt; AC</b> D. AC = AR
4	What is deducted from the GNP to get GDP	A. Depreciation allowances B. <b>Net income received from abroad</b> C. Indirect tax D. Transfer payments
5	The term "Price Taker" is used in:	A. <b>Perfect competition</b> B. Oligopoly C. Monopoly D. Monopsony
6	If we subtract direct taxes from personal income, we get	A. Net national income B. Net domestic income C. <b>Disposable personal income</b> D. Personal savings
7	----- are added in national income	A. Depreciation allowance B. <b>Subsidies</b> C. Indirect taxes D. Direct taxes
8	After deducting direct tax from personal income, it is called	A. National income B. personal income C. <b>Disposable personal income</b> D. per capital income
9	"National income is that part of material wealth of a nation which can be measured by the scale of money" This definition of national income is stated by the economist	A. Marshall B. <b>Pigou</b> C. Adam smith D. Clark
10	"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	A. Marshall B. Pigou C. Adam smith D. <b>Fisher</b>
11	----- is not included in gross domestic product	A. Private investment B. <b>Income received from foreign country</b> C. Depreciation allowance D. Govt. investment
12	Under monopoly the price is always equal to:	A. <b>AR</b> B. MR C. MC D. AVC
13	Monopoly refers to:	A. Single buyer B. Single seller C. Single producer D. <b>Both b and c</b>
14	Duopoly refers to:	A. Single seller B. <b>Two seller</b> C. Multiple sellers D. Multiple buyers
15	Transfer payments are included in	A. Gross domestic income B. National income C. <b>Disposable personal income</b>

D. Personal income

16	If $MC=MR=AR=AC=P$ , then a firm's gains:	A. Super profit B. Normal profit C. Normal loss D. Abnormal loss
17	The term "Price Maker" is used in:	A. Perfect competition B. Oligopoly C. Monopoly D. Monopsony
18	Net foreign income is	A. Exports - imports B. Exports + imports C. Income received by exports D. Income received by imports
19	Net national product is found by	A. Subtracting tax from gross national product B. Subtracting transfer payments from gross national product C. Subtracting depreciation allowance from gross national product D. Subtracting subsidies from gross national product
20	Which thing should be added in net national product to get gross national product	A. Direct taxes B. Indirect taxes C. Depreciation allowance D. Subsidies