

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

Sr	Questions	Answers Choice
1	Which is subtracted from gross national product to find gross domestic product	<p>A. Depreciation allowance</p> <p><b>B. Net income received from foreign sources</b></p> <p>C. Indirect taxes</p> <p>D. Transfer payments</p>
2	National income increases by	<p>A. The increase in the quantity of capital goods</p> <p><b>B. The increase in the quantity of goods and services</b></p> <p>C. The increase in price of goods</p> <p>D. The increase in the income of entrepreneurs</p>
3	Net foreign income is	<p><b>A. Exports - imports</b></p> <p>B. Exports + imports</p> <p>C. Income received by exports</p> <p>D. Income received by imports</p>
4	A firm suffers abnormal loss, when:	<p>A. <math>AC = AR</math></p> <p><b>B. <math>AVC = AR</math></b></p> <p>C. <math>AVC &lt; AR</math></p> <p>D. <math>AVC &gt; AR</math></p>
5	Difference between total revenue and total cost presents:	<p>A. Price</p> <p><b>B. Profit</b></p> <p>C. Production</p> <p>D. Loss</p>
6	At shut down position:	<p>A. <math>AC = AR</math></p> <p><b>B. <math>AVC = AR</math></b></p> <p>C. <math>AVC &lt; AR</math></p> <p>D. <math>AVC &gt; AR</math></p>
7	If we subtract direct taxes from personal income, we get	<p>A. Net national income</p> <p>B. Net domestic income</p> <p><b>C. Disposable personal income</b></p> <p>D. Personal savings</p>
8	Which thing should be added in net national product to get gross national product	<p>A. Direct taxes</p> <p>B. Indirect taxes</p> <p><b>C. Depreciation allowance</b></p> <p>D. Subsidies</p>
9	Equilibrium of national income is, when	<p>A. <math>S &gt; I</math></p> <p><b>B. <math>S = I</math></b></p> <p>C. <math>S &lt; I</math></p> <p>D. S and I</p>
10	National income means the income	<p>A. Which central government earns during a year</p> <p>B. Which provincial government earn during a year</p> <p>C. Total wealth of a country</p> <p><b>D. Rewards which the factors of production get during a year</b></p>
11	Expenditures of repair of machines are called	<p>A. Unproductive expenditures</p> <p>B. Productive expenditures</p> <p>C. Rewards</p> <p><b>D. Depreciation allowance</b></p>
12	national income is found by	<p>A. Subtracting depreciation allowance from gross national product</p> <p><b>B. Subtracting indirect taxes from net national product</b></p> <p>C. Adding subsidies in net national product</p> <p>D. Subtracting indirect taxes and adding subsidies in net national product</p>
13	What remains after the deduction of direct tax from the personal income	<p>A. NNIP</p> <p><b>B. NNI</b></p> <p>C. GNP</p>

		C. DPI D. GNP
14	National income is total of	A. Incomes of all entrepreneurs of the country B. Incomes of all industrialists of the country C. Incomes of all salaried persons of the country D. Incomes of all the people of the country
15	----- is not included in gross domestic product	A. Private investment B. Income received from foreign country C. Depreciation allowance D. Govt. investment
16	To measure national income is used	A. Product method B. Incomes of the factor method C. Expenditure method D. All the three
17	A firm gains abnormal profit, when:	A. $TR = TC$ B. $TR > TC$ C. $TR < TC$ D. $MC = MR$
18	----- are added in national income	A. Depreciation allowance B. Subsidies C. Indirect taxes D. Direct taxes
19	Expenses of wears and tears of machinery are called	A. Productive expenses B. Non productive expenses C. Wages D. Depreciation expenses
20	In the long run firms mostly earn normal profit in:	A. Perfect competition B. Oligopoly C. Monopoly D. Duopoly