

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

Sr	Questions	Answers Choice
SI	Questions	
1	In the long run firms mostly earn normal profit in:	A. Perfect competition B. Oliogopoly C. Monopoly D. Duopoly
2	Equilibrium level of national income means that point where	A. Consumption = saving B. Consumption = investment C. Income = saving + investment D. Saving = Investment
3	In the long run monopolist earns profit:	A. Normal B. Abnormal C. Super normal D. Both b and c
4	Under monopoly the price is always equal to:	A. AR B. MR C. MC D. AVC
5	Period in national income counting is	A. One year B. Two years C. Three years D. Four years
6	Which one of the following is not included in the methods of measuring national income	A. Method of total according to market prices     B. Method of total of incomes     C. Method of total of domestic necessities and desires     D. Method of total expenditures
7	The income which a person can use according to his will is called	<ul><li>A. Personal income</li><li>B. Disposable personal income</li><li>C. Net income</li><li>D. Per capita income</li></ul>
8	A firm is in equilibrium, where:	A. AR = MR B. AC = MC C. AC = MR D. MC = MR
9	National income means the income	A. Which central government earns during a year B. Which provincial government earn during a year C. Total wealth of a country D. Rewards which the factors of production get during a year
10	According to professor Ackley Gardener, amounts are included in national income	A. Wages B. Rents and interests C. Profits D. All the three
11	How many conditions of firm's equilibrium are there ?	A. One B. Two C. Three D. Four
12	A firm suffers abnormal losse, when:	A. AC = AR B. AVC = AR C. AVC &It AR D. AVC > AR
13	A firm gains abnormal profit, when:	A. TR = TC  B. TR > TC C. TR < TC D. MC = MR
14	After deducting direct tax from personal income, it is called	A. National income B. personal income C. Disposable personal income D. per capital income

15	"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. Pigou C. Adam smith D. Clark
16	Main elements of circular flow of national income are	<ul><li>A. People or house holds</li><li>B. Firms</li><li>C. House holds and firms</li><li>D. Industrial lists</li></ul>
17	Transfer payments are included in	A. Gross domestic income     B. National income     C. Disposable personal income     D. Personal income
18	Which thing of the following should be subtracted from gross national product to get net national product	A. Direct taxes     B. Indirect taxes     C. Depreciation allowance     D. Income received from foreign country
19	Price discrimination policy refers to:	A. Single price B. Two prices C. Multiple prices D. None of these
20	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