

## ICS Part 2 Economics English Medium Chapter 1 Online Test

Sr	Questions	Answers Choice
1	We measure national income by this method.	A. Expenditure method B. Income method C. Product method D. As of the above
2	It is considered as investment	A. Construction of a house B. Purchase of an old house C. Salaries of college professors D. a and b above
3	GNP includes	A. A Loan from a bank B. A loan from one's parents C. A brokers commission D. Gifts and donations
4	Gross national product includes	A. A loan from one's parents B. A loan from a domestic bank C. A loan from other countries D. None of the above
5	It would increase the level of national income.	A. An increase in taxation B. A reduction in government spending C. An increase in exports D. Students scholarships
6	It is avoided to make correct estimate of national income.	A. Free services B. Double counting C. Export earnings D. All of the above
7	If saving exceed investment then	A. National income rises B. National income falls C. National income is not affected D. None of the above
8	They have a functional relation	A. Consumption and national income B. Consumption and saving C. Consumption and investment D. All of the above
9	In circular flow model	A. Govt. owns productive resources B. Firms own productive resources C. Households own productive resources D. Rent of land is not included
10	Which of the following would NOT be included in GNP	A. Govt. Transfer payments B. Govt. Purchase of an air plane C. Payment for construction of highway D. Salary paid for the president's secretary
11	Net Exports are	A. Total Exports plus total imports B. Total exports minus total imports C. Total exports divided by total imports D. Total imports minus total exports
12	Investment spending included the purchase of.	A. Lottery coupon B. Prize Bond C. Residential construction D. all of the above
13	Real national income increases when	A. Prices of goods are rising B. National savings increases C. Quantity of goods and services increases D. None of the above
14	The four factor payments are.	A. Money, Capital, salaries, and income B. Wages, rent interest and profits C. Money, Capital, interest, and income D. Money, Capital, interest, and profits

C. Money, power, Prices, and wealth  
D. Wages, interest, salaries, and taxes.

15 If we deduct direct tax from personal income we get.

- A. Net National income
- B. Disposable income
- C. Personal saving
- D. Per capital income

16 National Income = National Expenditure is an

- A. Equation
- B. Identity
- C. Function
- D. None

17 In economics one or more persons living in a joint family are called a

- A. Community
- B. Social gathering
- C. Super family
- D. Household

18 Which of the following is not included in personal income

- A. Social security benefits
- B. Dividend payments
- C. Undistributed corporate profits
- D. Interest received from saving certificates

19 Macroeconomics is concerned with.

- A. Aggregate economic activity
- B. Spending decisions of households
- C. How to produce goods
- D. How to buy stocks and bonds

20 The largest part of national income goes to

- A. Consumption
- B. Investment
- C. Saving
- D. Transfer payment