

## 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	When National income is estimated by expenditure method we include.	A. All govt expenditure B. All households expenditure C. All of the above D. All expenditure of the business sector
3	The largest type of income in Pakistan is	A. Compensation of employees B. Proprietors income C. Rental income D. Corporate profits
4	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
5	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
6	Consumption spending does NOT include.	A. Household's purchases of clothes B. Household's purchase of a car C. Household's payment of rent for an apartment D. Household's purchase of shares of a business corporation
7	Which statement is true	A. $NNP = GNP - Depreciation$ B. $NNP = N1$ C. $NNP = DPI$ D. $NNP = GNP + Depreciation$
8	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
9	Which measure has the larger value .	A. NNP B. GNP C. GDP D. NI
10	If we deduct direct tax from personal income we get.	A. Net National income B. Disposable income C. Personal saving D. Per capital income
11	Country is poor if it has.	A. Less production of goods per capita B. Less amount of gold C. Less amount of foreign currency D. Less exports
12	Which statement is true	A. National Income = National expenditure - indirect taxes B. $N1 = GNP - NNP$ C. $N1 = P1$ D. $NI = NNP - Indirect taxes$
13	A TV set purchased from a retail store is an example of.	A. Final goods B. Surplus goods C. Capital goods D. Intermediate goods
14	Macroeconomics is concerned with.	A. Aggregate economic activity B. Spending decisions of households C. How to produce goods

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15	What is the largest figure	A. NNP B. GNP C. DPI D. PI
16	In terms of national income accounts, multiple counting refers to.	A. The addition to GNP of multiple units of a good B. Counting currently produced goods more than once C. The inclusion in GNP of gross spending and taxes D. Counting both goods and services
17	Net investment is	A. Gross investment minus household investment B. Gross investment minus govt. investment C. Gross investment minus capital consumption allowance D. None of the above
18	Investment spending includes the purchase of.	A. Lottery coupon B. Prize Bond C. Residential construction D. all of the above
19	Total value of all final goods and services produced annually by a country.	A. NNP B. GNP C. GDP D. NI
20	Market value of all final goods and services produced in a country during a year is definition	A. GNP B. NNP C. NI D. Consumption

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