

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

Sr	Questions	Answers Choice
1	It is considered as transfer payments	A. Salaries of govt employees B. Bonus of bank employees C. Unemployment allowance paid by govt D. Free medical care to citizens.
2	It is avoided to make correct estimate of national income.	A. Free services B. Double counting C. Export earnings D. All of the above
3	Transfer payments means.	A. Bank loans B. The payment without work C. Payments made to all factors of production D. Tax payments
4	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
5	Circular flow of income links	A. Income expenditure B. Govt taxes and govt expenditure C. Exports, imports D. Saving and investment
6	The four factor payments are.	A. Money, Capital, salaries, and income B. Wages, rent, interest, and profits C. Money, power, Prices, and wealth D. Wages, interest, salaries, and taxes.
7	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
8	Govt. transfer payment include	A. Social security benefits B. Welfare benefits C. Student scholarships D. All of the above
9	Transfer payments means	A. Bank loans B. The payment without work C. Tax payments D. Payments made to all factors of production
10	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
11	If we deduct direct tax from personal income we get.	A. Net National income B. Disposable income C. Personal saving D. Per capita income
12	Which is a flow concept.	A. Number of my shirts B. My monthly income C. My total wealth D. Money Supply
13	The goods which are used directly by the people are called.	A. Consumer goods B. Capital goods C. Direct goods D. None
14	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

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15 National income is a measure of

A. The size of government revenue  
B. Payments made to factor of production  
C. Production of goods per day  
D. Total working hours

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16 If indirect taxes are deducted from NNP and subsidies are added, we achieve

A. Personal savings  
B. DPI  
C. National Income  
D. Per capita income

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17 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

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18 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

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19 The largest part of national income goes to

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

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20 Transfer payments are not included in national income because.

A. Such payments are made to persons living abroad  
B. Double counting would result  
C. They are illegal  
D. There is no method to account for these