

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

Sr	Questions	Answers Choice
1	GNP is	A. Total Sales in the economy B. Total monetary transactions in an economy <b>C. Sum of market values of all goods and services produced in an economy</b> D. Total spending in an economy
2	In economics one or more persons living in a joint family are called a	A. Community B. Social gathering C. Super family <b>D. Household</b>
3	When National income is estimated by expenditure method we include.	A. All govt expenditure B. All households expenditure <b>C. All of the above</b> D. All expenditure of the business sector
4	Transfer payments means	A. Bank loans <b>B. The payment without work</b> C. Tax payments D. Payments made to all factors of production
5	Real national income increases when	A. Prices of goods are rising B. National savings increases <b>C. Quantity of goods and services increases</b> D. None of the above
6	Total value of all final goods and services produced annually by a country.	A. NNP B. GNP <b>C. GDP</b> D. NI
7	In terms of national income accounts, multiple counting refers to.	A. The addition to GNP of multiple units of a good <b>B. Counting currently produced goods more than once</b> C. The inclusion in GNP of gross spending and taxes D. Counting both goods and services
8	Which statement is true	A. $NNP = GNP - Depreciation$ B. $NNP = N$ C. $NNP = DPI$ <b>D. <math>NNP = GNP + Depreciation</math></b>
9	Corporate tax is levied on	A. Landlords B. Importers <b>C. Big companies</b> D. Municipal corporations
10	A TV set purchased from a retail store is an example of.	A. Final goods B. Surplus goods C. Capital goods <b>D. Intermediate goods</b>
11	Market value of all final goods and services produced in a country during a year is definition	A. GNP B. NNP C. NI <b>D. Consumption</b>
12	Personal income includes.	A. Direct taxes B. Indirect taxes C. Depreciation <b>D. None of the above</b>
13	Transfer payments means.	A. Bank loans <b>B. The payment without work</b> C. Payments made to all factors of production D. Tax payments

14 There are methods of measuring national income  
A. 5  
B. 4  
C. 2  
D. 3

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15 Which measure has the larger value .  
A. NNP  
B. GNP  
C. GDP  
D. NI

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16 Which of the following would NOT be included in GNP  
A. Govt. Transfer payments  
B. Gov. Purchase of an air plane  
C. Payment for construction of highway  
D. Salary paid for the president's secretary

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17 If government increases taxes private savings.  
A. Increase  
B. Decrease  
C. Do not change  
D. Will become zero

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18 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

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19 We measure national income by this method.  
A. Expenditure method  
B. Income method  
C. Product method  
D. All of the above

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20 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.