

ICS Part 2 Economics English Medium Chapter 2 Online Test

Sr	Questions	Answers Choice
1	MPC is always.	A. Positive B. Negative C. Zero D. More then APC
2	National income equals.	A. $c + I + g$ B. $c - i - g$ C. $c - s - g$ D. $c + s + g$
3	Which one is investment in economics	A. Building a factory B. Buyig shares in stock exchange C. Depositing money in bank D. Depositing money wiht housing society
4	This will cause decrease in natioal income.	A. Rise in exports B. Rise in saving C. Inceas in taxese D. B and C above
5	Which of the following is a withdrawal from the circular flow of income stream.	A. Taxation B. Consumption C. Subsidies D. Investment
6	Consumption is a function of.	A. Saving B. Investment C. Income D. Expenditure
7	GDP atconstnat prices, calculated according to some base year is called.	A. acutal GDP B. Real GDP C. Net GDP D. Nominal GDP
8	If $C = 200$ and $I = 40$ then Y will equal	A. 160 B. 240 C. 8000 D. None of the above
9	Which shows equilibrium of national income	A. Consumption = investment B. Saving = investment C. Saving > investment D. Saving < investment
10	If money supply in a country decreases	A. Price will rise B. Price will fall C. Rate of intrese falls D. B and C of above
11	Marginal propensity to consume MPC is.	A. Total income spent on consumption B. Ratio of additionalincome consumed C. Ratio of total income consumed D. Consumption divided by saving
12	In equilibrium of nationalincome.	A. $S > I$ B. $S = I$ C. $S < I$ D. All are true
13	Equilibrium of national income will be when	A. $S > I$ B. $S < I$ C. $S = I$ D. $S - 1$
14	This wil cause anincrease in national income	A. Rise in exports B. Fall in consumer spending C. Rise in imports D. Increase in saving
		A. Increase in taxation

15 Which of the following would increase national income.

- B. increase in savings
 - C. Increase in govt spending
 - D. Decrease in consumption spending
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16 Aggregate demand means.

- A. Aggregate saving
 - B. Aggregate Income
 - C. Aggregate investment
 - D. Aggregate expenditure
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