

ICS Part 2 Economics English Medium Chapter 4 Online Test

Sr	Questions	Answers Choice
1	Purching power of money during defiation is.	A. Increased B. Reduced C. Constant D. Fluctuating
2	When value of money falls, they benefits more	A. Debtors B. Lenders C. Farmers D. Industrialist
3	Value of money and supply of money are related.	A. Inversely B. Directly C. Govt.Law D. Are not related
4	Value of money means	A. General purchasing power of money B. Gold purchased by money C. Demand for money D. Importance of money
5	When the nations money supply is Rs. 1200 million and GDP is Rs. 4800 billion. velocity of circulation money is.	A. 0.25 B. 4 C. 0.4 D. Billion Rupees
6	Velocity of circulation of money means.	A. Total demand for money B. Annual increase in currency notes C. Number of timesa unit of money changes hands D. total supoly of money
7	According to keynes demand for money is affected by	A. Income B. Rate of instest C. Literacy rate D. a and b of above
8	Banks discount it and adance loans.	A. Draft B. Bill of Exchange C. pay order D. Gold
9	They are NOT much affected by rising prices.	A. Salaried persons B. Business C. Debtors D. Importers
10	According to Keynes people demand money for purposes .	A. 1 B. 2 C. 3 D. 4
11	If we put this letter in the blank space we get quantity theory of money $PY = M$	A. S B. T C. V D. A
12	Value of circulation money means by number of times a unit of money	A. Change hands daily B. Change hand annually C. change hands montly D. Change purchacing power
13	The equation of exchange $PT = MV$ was given by	A. Fisher B. Crowther C. Kuznet D. Keynes
14	It is assumption of quantity theory of money	A. Velocity of circulation of money constant B. Affects only industrial sector C. Makes distribution of national income better D. Has no effect on distribution of income

15	Under normal circumstances the velocity of circulation of money in a country is.	A. 100% B. negative C. Less than 10 D. Zero
16	For the economy prices are beneficial	A. Falling slowly B. Rising slowly C. Rising fast D. Falling fast
17	Which One is equation of exchange.	A. $PT = MV$ B. $PV = MT$ C. $PM = TV$ D. None
18	During inflation	A. Lenders lose borrowers gain B. Borrowers and lenders both lose C. Borrowers lose lenders gain D. All sections of the society gain
19	The quantity demanded of money rises.	A. As the interest rate falls B. As the interest rate rises C. As the supply of money falls D. As the number of banks rises
20	Value of money in Pakistan is determined by	A. Govt of Pakistan B. General Price Level C. State Bank Pakistan D. Value of Dollar