ICS Part 2 Economics English Medium Chapter 4 Online Test

Sr	Questions	Answers Choice
1	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
2	They are NOT much affected by rising prices.	A. Salaried persons B. Business C. Debtors D. Importers
3	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
4	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
5	Value of money and supply of money are related.	A. Inversely B. Directly C. Govt.Law D. Are not related
6	Pursching power of money during defiation is.	A. Increased B. Reduced C. Constant D. Fluctuating
7	Banks discount it and adance loans.	A. Draft B. Bill of Exchange C. pay order D. Gold
8	According to Keynes people demand money for purposes .	A. 1 B. 2 C. 3 D. 4
9	The equation of exchange PT =MV was given by	A. Fisher B. Crowther C. Kuznet D. Keynes
10	Value of money means	A. General purchasing power of money B. Gold purchased by money C. Demand for money D. Importance of money
11	When value of money falls, they benefits more	A. Debtors B. Lenders C. Farmers D. Industrialist
12	Value of money in pakistan in determined by	A. Govt of Pakistan B. General Price Level C. State Bank Pakistan D. Value of Dollar
13	For the economy prices are beneficial	A. Falling slowly B. Rising slowly C. Rising fast D. Falling fast
14	Drung inflation	A. Lenders lose borrowers gain B. Borrowers and lenders both ose C. Borrows lose lenders gain D. All sections of the society gain

15	Under normal circumstances the velocity of circulation of money in a contry is.	A. 100% B. negative C. Less than 10 D. Zero
16	According to keynes demand for money is affected by	A. Income B. Rate of intest C. Literacy rate D. a and b of above
17	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
18	The quantity demanded of money rises.	A. As the intrest rate falls B. As the intrest rate rises C. As the supply of money falls D. As the number of banks rises
19	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
20	Which One is equation of exchange.	A. PT = MV B. PV = MT C. PM = TV D. None