

## ICS Part 2 Economics English Medium Chapter 6 Online Test

Sr	Questions	Answers Choice
1	Which of the following tax is best example of ability to pay principle of taxes	A. excise tax on cigarettes B. Highway tolltax C. Personal income tax D. Proportional sales tax
2	This is not a Principle of taxation	A. Principal of equality B. Principal of secrecy C. Principal of adequacy D. Principal of convenience
3	Taxes on commodities are	A. Direct taxes B. Indirect Taxes C. Progressive taxes D. Proportional taxes
4	Progressive taxes	A. Are harmful for the economy B. Bring equality in distribution of income C. Compel rich people to be honest D. Decrease evasion of taxes
5	Which source a private company cannot use?	A. A Bank loan B. Tax C. Selling new shares in stock exchange D. Detail finance
6	The most important source of income of a government is.	A. Foreign loans B. Taxes C. Printing of new money D. Sale of government property
7	Govt. taxation and spending policies are called.	A. Fiscal policy B. Monetary policy C. Commercial policy D. Finance policy
8	Progressive taxes	A. Increase government revenue B. Bring equality in distribution of incomes C. Act as penalty for rich people D. a and b of above
9	One of the following is NOT a feature of private finance.	A. Balancing of income and expenditure B. Secrecy C. Publicity D. Saving some part of income
10	In Pakistan Income tax is	A. Progressive tax B. Regressive tax C. Proportional tax D. Fixed tax
11	In Pakistan government budget is prepared by	A. National Assembly B. President of Pakistan C. Ministry of Finance D. State Bank of Pakistan
12	The Government can collect funds from	A. Taxes B. Fees C. Prices of public goods D. All the three
13	Government finance is called.	A. National finance B. Public finance C. Private finance D. a and b above
14	The most important source of income of a government is.	A. Foreign loans B. Printing of New money C. Sale of government property D. Taxes

15 Whom of the following propounded principles of taxation  
A. Keynes  
B. Adam Smith  
C. Marshall  
D. Ghazali

---

16 It is direct tax  
A. Excise tax  
B. Sales tax  
C. Income tax  
D. Custom duty

---

17 In Pakistan, taxes are levied by  
A. Prime Minister of Pakistan  
B. President of Pakistan  
C. Federal cabinet of ministers  
D. National Assembly

---

18 Which one of the NOT a principle of taxation  
A. Principle of equality  
B. Principle of morality  
C. Principle of certainty  
D. Principle of diversity

---

19 Govt. prepares its budget  
A. Weekly  
B. Monthly  
C. Quarterly  
D. Annually

---

20 Govt. taxing and spending policies are called.  
A. Fiscal policy  
B. Public policy  
C. Monetary Policy  
D. Economic policy