

Economics - ICS Part 2 Economics English Medium Chapter 1 Online Short Questions Test

Q1. What is Saving Function.
Ans 1: Saving is that part of income whihe is not spent on consumer gods. It is found by subtracting consumption expenditures from income. It means.
Ans 2 : S=Y-C
Q2. Write four points of importance of study of national income.
Ans 1: 1- Helps to analyse the economic conditions.
Ans 2: 2- Helps to examine the economic growth rate of the country.
Ans 3: 3- Helps to analyse the economic problems
Ans 4: 4- Helps in framing economic policies
Q3. Write five factors of national income.
Ans 1: 1 National resoruces
Ans 2: 2- Man made resources
Ans 3: 3- Human resoruces
Ans 4: 4- Capital goods
Ans 5: 5- Technicla known how
Q4. Define National Income in the words of Prof. Ackley Gardner.
Ans 1: Individual income is the amount of his earning from the productive services currently rendered by him or by his property National income is nothing more than the sum of all the individual incomes.

Ans 1: Total Market value of allfinal goods and services produced within a country druing a year is called gross domestic product.

thus when we substract foreign income from gross national product. We get gross domestic product. G.DP = G.N.P.F.I

Q5. Explain the meanings of Goss Domestic Product.

Q6. Explain the concept of National Income.

Ans 1: If indirect taxes are subtracted from Net National product and subsidies are added in N.N.P get National income. It is the income which is the aggregate of net rewards of four fctors of production e.g. rents + wages+ intrest + profits

Ans 2: National income = Net natinal product - indriect taxes + Subsidies

Q7. Who did present the concept of equilibrium level of National income

Ans 1: Prof. J.M.Keynes presented the concept of equilibrium level of national income in 1936 in his famous book. " General theory of employment, interest and money".

Q8. Define National income int he word of Prof. Pigou.

Ans 1: National Income is that part of material wealth of a nation whihc cna be measured by the scale of money

Q9. Defien Goss National product.

Ans 1: Goss National induct of a country is the totla market value of all final goods and services produced during a period of one year. All agricultural goods, industries goods, mineral goods and services of individuals, government and semi government institutions are included in it.

Q10. Write precautions of income method to measure national income.

Ans 1: 1- Earnings from unfair means should not be conted in national income.

Ans 2: 2- Transfer payments should not be included