

## Principles of Economics Icom Part 1 English Medium Chapter 11 Online Test

Sr	Questions	Answers Choice
1	"A trade cycle is fluctuation in employment, production and prices" This definition of Trade cycle is stated by	A. Prof Keynes B. Prof Mitchell C. Prof Hanson D. Prof Haberler
2	Phases of a trade cycle are	A. Two B. Three C. Four D. Five
3	In which phase of a trade cycle level of employment and income become very low	A. Depression B. Recovery C. Boom D. Recession
4	In which phase of a trade cycle production, employment, wages and rate of interest etc start rising gradually	A. Boom B. Depression C. Recovery D. Recession
5	In which phase of a trade cycle national product, wages, prices and profits reach at their peak	A. Recovery B. Boom C. Recession D. Depression
6	The period in which an economy comes back from prosperity to depression is called	A. Recovery B. Recession C. Boom D. Depression
7	"A trade cycle is completed in three years four months" This is stated by	A. Prof Kitchen B. Prof Juglar C. Prof Jevons D. Prof Pigou
8	According to which economist, duration of a trade cycle is 9 to 10 years	A. Prof Kitchen B. Prof Juglar C. Prof Pigou D. Prof Kondratieff
9	According to which economist some trade cycles complete their cycle during a period of fifty years or sixty years	A. Prof Kitchen B. Prof Juglar C. Prof Pigou D. Prof Kondratieff
10	Theory of sun-spot was presented by	A. Prof Jevons and Henry L. Moor B. Prof Pigou and Begehot C. Prof Hobson D. Prof Cassel
11	Psychological theory of trade cycles is presented by	A. Prof Jevons B. Prof Pigou and Bagehot C. Prof Keynes D. Prof Hawtrey
12	Under consumption or over saving theory is presented by	A. Prof Hobson, Foster and Catchings B. Prof Hawtrey C. Prof Keynes D. Prof Jevons
13	Over investment theory is presented by	A. Pigou B. Hawtray C. Hayek, Mises and Cassel D. Prof Juglar
14	Monetary theory of Trade cycle is presented by	A. Prof Hawtrey and Friedman B. Prof Keynes C. Prof Hobson D. Prof Kitchen
15	Innovation theory is presented by	A. Prof Keynes B. Prof Schumpeter C. Prof Hicks D. Prof Jevons

16	Modern theory of trade cycles is presented by	A. Prof Schumpeter B. Prof Keynes C. Prof Hawtrey D. Prof Hicks and Samuelson
17	During boom	A. Business contracts B. Unemployment increase C. Profit decreases D. Profit increases
18	During depression	A. Employment increases B. Prices decrease C. Profit increases D. Prices increase
19	Economy gets prosperity during	A. Recession B. Depression C. Boom D. Recovery
20	During recession demand for factors of production is	A. More B. Limited C. Very low D. Too much
21	Which phase starts with the increase in expected rate of profit	A. Depression B. Recovery C. Boom D. Recession
22	During the phase of recession prices of goods	A. Start rising B. Start falling C. are highest D. are lowest
23	During the phase of boom level of income and employment is	A. Increasing B. Decreasing C. Highest D. Lowest
24	During the phase of recovery prices, wages, interest rate and profits	A. Start falling gradually B. Start rising gradually C. are highest D. are lowest
25	According to Prof. Kitchen a trade cycle completes in	A. Two years six months B. Three years or Fifty years C. Fifty years or Sixty years D. Sixty years or Seventy years
26	According to Prof. Juglar a trade cycle completes in	A. Five to six years B. Nine to ten years C. Ten to eleven years D. Eleven to twelve years
27	The innovation theory of trade cycles was presented by	A. Hayek B. Hawtray C. Schumpeter D. Pigou
28	During depression, increases	A. Unemployment B. Employment C. Profit D. Production
29	National Income is also known as:	A. National product B. Total expenditure C. Total population D. Both a and b
30	National income at factor cost is equal to:	A. G.N.P - Subsidies + taxes B. N.N.P - Direct tax + Subsidies C. G.D.P - Subsidies + taxes D. N.N.P - Indirect tax + Subsidies
31	If we deduct foreign income from GNP, we get:	A. N.N.P B. G.D.P C. D.P.I D. P.I
32	If we deduct direct taxes from personal income, we get:	A. NNP B. GDP C. DPI D. PI
33		A. P.I B. G.D.P

33	If we deduct depreciation from GNP, we get:	A. G.D.P. B. D.P.I. C. D.P.I. D. N.N.P
34	One of the following is not include in national income:	A. Transfer payments B. Depreciation C. Wages D. Both a and b
35	Methods for measurement of national income are:	A. Two B. Three C. Four D. Five
36	In Macro economies the vital role is played by:	A. Marshall B. J.R.Hicks C. Robbins D. Keynes
37	Depreciation means:	A. Wear and Tear B. Reduction in value C. Decrease in value D. All of these
38	Subsidies means:	A. Relief price to consumers B. Relief in price to Producers C. Surplus budget D. Both a and b
39	Income received without any economic services:	A. National Income B. Transfer payments C. Interest D. Profit
40	National income is measured for:	A. One year B. Two years C. Three years D. Four years
41	Direct taxes are not included in:	A. Personal income B. G.N.P C. G.D.P D. Disposable personal income
42	Market value of all final goods and services is known as:	A. N.I B. G.N.P C. N.N.P D. Both a and b
43	Equilibrium level of national income means that point where:	A. Consumption = Saving B. Consumption = Investment C. Saving = Investment D. Income = Saving + Investment
44	Transfer payment means:	A. Rent transfer B. Wages transfer C. Reward without services D. Profit transfer
45	Net foreign income means:	A. Import - Exports B. Exports - Imports C. Import + Exports D. Income from imports
46	The income which a person can use according to his will called:	A. Net income B. Per capital income C. Personal income D. Disposable personal income