

Principles of Economics Icom Part 1 English Medium Chapter 13 Online Test

Sr	Questions	Answers Choice
1	"Public finance is that branch of economics which studies the revenue and expenditures of governments institutions, their inter-relationship and financial administration" This definition is stated by	A. Bastable B. Armitage Smith C. Marshall D. Pigou
2	"The study of nature and principles of government expenditures and revenue is called public finance" This definition is stated by	A. Bastable B. Armitage Smith C. Ricardo D. Robbins
3	"Public finance deals with governments revenue and expenditure and it studies how government maintains balance between its revenue and expenditures" This definition is stated by	A. Dalton B. Armitage Smith C. Bastable D. Pigou
4	Government needs public finance	A. For the defence of frontiers B. To maintain law and order in the country C. For the payment of salaries of government employees D. For the welfare of the people
5	Branches of public finance are	A. Two B. Three C. Four D. Five
6	One of the following is not included in the branches of public finance	A. Public revenue B. Welfare of the people C. Public expenditure D. Public debt
7	A good thing in private finance	A. Expenditures are equal to income B. Expenditure are more than income C. Income is more than expenditures D. a and b both
8	In private finance the individuals estimate their income and expenditures	A. Daily B. Weekly C. Monthly D. Yearly
9	Government estimates its income and expenditures	A. Monthly B. Three monthly C. Six monthly D. Annual
10	Private individuals can get loan from	A. Their relatives, friends and domestic financial institutions B. Foreign financial agencies C. Foreign government D. International financial institutions
11	A good thing in public finance	A. Expenditures are more than income B. Income is more than expenditure C. Income is equal to expenditure D. b and c both
12	Private individuals are not allowed to fulfill their needs	A. To get loans from the friends B. To get financial help from the relatives C. To get loans from the domestic financial institutions D. To print notes
13	Which one of the following public expenditures is related to transport	A. Police B. Defence C. Railway D. Public education
14	Which one of the following stated the canons of taxation first	A. Adam Smith B. Marshall C. Robbins D. "

		D. Keynes
15	To the name of which economist, canons of taxation are attributed	A. Adam smith B. Robbins C. Pigou D. Keynes
16	Adam Smith presented the basic canons of taxation	A. Two B. Three C. Four D. Five
17	One of the following is not included in the sources of public revenue	A. Tax B. Fee C. Defence D. Fines
18	One of the following is not included in the public expenditures	A. Courts B. Fee C. Public administration D. Defence
19	Total number of canons of taxation stated by different economists is	A. Seven B. Nine C. Eleven D. Twelve
20	If the person has to pay the tax on whom it is levied, then it is called	A. Direct tax B. Indirect tax C. Proportional tax D. Progressive tax
21	If a person does not pay the amount of the tax from his own pocket on whom it is levied rather shifts its burden on some other person, then it is called	A. Direct tax B. Indirect tax C. Proportional tax D. Progressive tax
22	If the rate of tax does not change with decrease or increase in the level of income, is called	A. Proportional tax B. Progressive tax C. Regressive tax D. value added tax
23	If the rate of tax increase with the increase of level of income, is called	A. Progressive tax B. Proportional tax C. Regressive tax D. Value added tax
24	Which one of the following is indirect tax	A. Income tax B. Property tax C. Wealth tax D. Sales tax
25	Which one of the following is direct tax	A. Sales tax B. Import duty C. Export duty D. Income tax
26	Zakat is part of the present income	A. 20th B. 30th C. 40th D. 50th
27	Zakat can not be given	A. to get slaves free B. To the collection of zakat C. For the construction of Mosque D. The converts
28	On which amount Zakat is payable	A. Twenty thousand rupees B. On the amount equal to the value of 7.5 tola gold or 52.5 tola silver C. On fifty thousand rupees D. On one lac rupees
29	Usher is levied on	A. Cash amount B. Goats and sheep C. Trading goods D. Agricultural production
30	What type of nature of Zakat is	A. Fixed B. Non fixed C. Elastic D. Changes along with the change in income
31	Payment of zakat is compulsory for ----- living in Islamic Country	A. Every person B. Every Muslim C. Only Poor Muslim D. Only Sahib-e-Nisab Muslim

32	Number of beneficiaries of Zakat is stated in the holy Quran	A. Five B. Seven C. Eight D. Nine
33	Annual rate of Zakat on cash and trading goods is	A. 2.0% B. 2.5% C. 3.0% D. 3.5%
34	Private owners of minerals are bound to pay ----- Zakat of their production	A. 10% B. 15% C. 20% D. 25%
35	Public finance and private finance are of each other	A. Opposite B. Synonymous C. Similar & different D. None of three
36	Surplus budget for the government is considered	A. Useful B. Harmful C. Useful & harmful D. None of three
37	At last, indirect tax is paid by	A. Shopkeeper B. Entrepreneur C. Customer D. Whole-seller
38	The tax which is levied on the sale of goods is called	A. Income tax B. Property tax C. Gift tax D. Sales tax
39	If every person pays tax according to his capacity, it is called	A. Canon of certainty B. Canon of equality C. Canon of productivity D. Canon of convenience
40	If income of the government is more than its expenditures, such budget is called	A. Surplus budget B. Deficit budget C. Balanced budget D. Capital budget
41	If the income and expenditures of the government are equal, such budget is called	A. Surplus budget B. Deficit budget C. Balanced budget D. Capital budget
42	If the income of the government is less than its expenditures, such budget is called	A. Surplus budget B. Deficit budget C. Balanced budget D. Capital budget
43	The main source of the public revenue is	A. Fee B. Tax C. Fines D. Gifts and aid
44	Indirect taxes become cause of	A. Increase in prices B. Decrease in prices C. Stability of prices D. Change in prices
45	Wealth tax, income tax, property tax etc are	A. Direct taxes B. Indirect taxes C. Proportional taxes D. Progressive taxes
46	Kinds of public expenditures are	A. Two B. Three C. Four D. Five
47	Because of indirect taxes, prices	A. Decrease B. Remain constant C. Increase D. Do not change
48	The tax whose burden can be shifted to the customers, is called	A. Proportional tax B. Progressive tax C. Direct tax D. Indirect tax
49	The percentage part of the agricultural produce is payable as Zakat which is irrigated by natural water	A. 5% B. 10% C. 15% D. 20%

		D. 20%
50	The percentage part of the agricultural produce is payable as Zakat which is irrigated by artificial sources	A. 5% B. 10% C. 15% D. 20%
51	The percentage part of the mineral production is payable as Zakat on private owners of minerals	A. 5% B. 10% C. 15% D. 20%
52	Zakat means	A. Growth B. Purification C. Tax D. Both 1st and 2nd
53	If everybody pays tax according to his financial position, it is said	A. canon of convenience B. canon of Equality C. canon of Economy D. canon of simplicity
54	The rate of usher on product of canal land is	A. 5% B. 10% C. 20% D. 2.5%
55	The budget period in public finance is	A. six months B. one year C. two years D. five years
56	The revenue collection of government and spending policy is called	A. Monetary policy B. Fiscal policy C. commercial policy D. Labour policy
57	If income of government is more than its expenditures, then it is a	A. Surplus budget B. Deficit budget C. Development budget D. Balanced budget
58	If income of government is less than its expenditures, then it is a	A. Surplus budget B. Deficit budget C. Development budget D. Balanced budget
59	During depression, a government prepares budget which is	A. Balanced B. Surplus C. Deficit D. Unbalanced
60	During boom, a government prepares budget which is	A. Balanced B. Surplus C. Deficit D. Unbalanced
61	Phases of trade cycle are:	A. Three B. Four C. Five D. Six
62	The average duration of trade cycle is:	A. Five years B. Fifty years C. Twenty years D. Ten years
63	The salient features of trade cycle are:	A. National in nature B. International in nature C. Domestic in nature D. All of these
64	Income and employment are at peak level during:	A. Recovery B. Boom C. Depression D. Recession
65	Trade cycles can be controlled by:	A. Fiscal policy B. Monetary policy C. Buffer stock schemes D. All of these
66	Modern theory trade cycle was presented by:	A. Hawtrey B. Habson Foster C. Jevons D. J.R Hicks
67	The expected rate of profit from a business is known as:	A. Multiplier B. Accelerator

67	The expected rate of profit from a business is known as:	C. Marginal efficiency of capital D. Both a and b
68	The interaction of multiplier and accelerator is known as:	A. Innovation theory B. Modern theory C. Psychological theory D. Over investment theory
69	Theory of innovations was presented by:	A. Joseph Schumpeter B. Habson Foster C. Jevons D. J.R Hicks
70	Monetary theory of trade cycle was given by:	A. Joseph Schumpeter B. Habson Foster C. Jevons D. Hawtray
71	Meteorological theory of trade cycle was presented by:	A. Joseph Schumpeter B. Habson Foster C. Jevons D. Hawtray
72	Over investment and over saving theory was given by:	A. Joseph Schumpeter B. Habson Foster C. Jevons D. Hawtray
73	The ratio of change in investment to change in income is known as:	A. Multiplier B. Accelerator C. MEC D. Both a and b
74	The ratio of change in income to change in investment is known as:	A. Multiplier B. Accelrator C. MEC D. Both a and b
75	In which year international monetary fund was established:	A. 1941 B. 1944 C. 1945 D. 1947
76	In which phase of Frade cycle level of employment and income becomes very low.	A. Depression B. Recovery C. Recession D. Boom