

ICS Part 2 Economics English Medium Chapter 2 Online Test

Sr	Questions	Answers Choice
1	Which shows equilibrium of national income	A. Consumption = investment B. Saving = investment C. Saving > investment D. Saving < investment
2	This will cause an increase in national income	A. Rise in exports B. Fall in consumer spending C. Rise in imports D. Increase in saving
3	If $C = 200$ and $I = 40$ then Y will equal	A. 160 B. 240 C. 8000 D. None of the above
4	Consumption is a function of.	A. Saving B. Investment C. Income D. Expenditure
5	Which one is investment in economics	A. Building a factory B. Buying shares in stock exchange C. Depositing money in bank D. Depositing money with housing society
6	Marginal propensity to consume MPC is.	A. Total income spent on consumption B. Ratio of additional income consumed C. Ratio of total income consumed D. Consumption divided by saving
7	Which of the following would increase national income.	A. Increase in taxation B. Increase in savings C. Increase in govt spending D. Decrease in consumption spending
8	Which of the following is a withdrawal from the circular flow of income stream.	A. Taxation B. Consumption C. Subsidies D. Investment
9	Aggregate demand means.	A. Aggregate saving B. Aggregate Income C. Aggregate investment D. Aggregate expenditure
10	In equilibrium of national income.	A. $S > I$ B. $S = I$ C. $S < I$ D. All are true
11	National income equals.	A. $C + I + G$ B. $C - I - G$ C. $C - S - G$ D. $C + S + G$
12	GDP at constant prices, calculated according to some base year is called.	A. actual GDP B. Real GDP C. Net GDP D. Nominal GDP
13	MPC is always.	A. Positive B. Negative C. Zero D. More than APC
14	This will cause decrease in national income.	A. Rise in exports B. Rise in saving C. Increase in taxes D. B and C above

15 Equilibrium of national income will be when

- A. $S > I$
- B. $S < I$
- C. $S = I$
- D. $S - I$

16 If money supply in a country decreases

- A. Price will rise
- B. Price will fall
- C. Rate of interest falls
- D. B and C of above