

## ICS Part 2 Economics English Medium Online Test

| Sr | Questions  | Answers Choice   |
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| 1  | What would encourage trade between two countries.                                | A. Reduced tariffs<br>B. Quality control<br>C. Different tax system<br>D. Fixing import quotes                               |
| 2  | What would encourage trade between two countries.                                | A. Different tax system<br>B. Frontier checks<br>C. National currencies<br>D. Reduce tariff                                  |
| 3  | Govt policy about exports and imports is called.                                 | A. Monetary policy<br>B. Fiscal policy<br>C. Commercial Policy<br>D. Finance policy  |
| 4  | International trade and domestic trade differ because of.                        | A. Trade restrictions<br>B. Immobility of factors<br>C. Different govt Policy<br>D. All of the above                         |
| 5  | Two countries can gain from foreign trade if                                     | A. Cost ratios are different<br>B. Tariff rates are different<br>C. Price ratios are different<br>D. a and c above           |
| 6  | All are advantages of foreign trade Except.                                      | A. People get foreign exchange<br>B. Difference in political system<br>C. Difference in markets<br>D. Difference in ideology |
| 7  | A Tariff   | A. Increase the volume of trade<br>B. Reduces the volume of trade<br>C. Has no effect on volume of trade<br>D. a and c above |
| 8  | Net exports equal  | A. Exports x imports<br>B. Exports + imports<br>C. exports- imports<br>D. None of the above                                  |
| 9  | Foreign trade creates among countries.   | A. Conflicts<br>B. Cooperation<br>C. Hatred<br>D. None   |
| 10 | Trade between two countries can be useful if cost ratios of goods are.           | A. Equal<br>B. Different<br>C. Undertimed<br>D. Decreasing   |
| 11 | If Japan and Pakistan start free trade difference in wages in two countries will | A. Increase<br>B. Decrease<br>C. Double<br>D. No effect  |
| 12 | Theory of comparative advantages was presented.                                  | A. Ricardo<br>B. Adam Smith<br>C. Hicks<br>D. Arshad   |
| 13 | Which of the following is international trade                                    | A. Trade between provinces<br>B. Trade between countries<br>C. Trade between regions<br>D. Trade between continents          |
| 14 | Govt. taxing and spending policies are called.                                   | A. Fiscal policy<br>B. Public policy<br>C. Monetary Policy<br>D. Economic policy   |
| 15 | This is not a Principle of taxation  | A. Principle of equality<br>B. Principle of secrecy<br>C. Principle of adequacy<br>D. Principle of convenience               |

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| 16 | Prograssive taxes                                       | A. Are harmful for the economy<br>B. Bring equality in distributio of income<br>C. Compel rich people to be honest<br>D. Decrease evasion of taxes |
| 17 | The most important source of income of a government is. | A. Foreign loans<br>B. Printing of New money<br>C. Sale of government property<br>D. Taxes   |
| 18 | Which source a private company cannot use?              | A. A Bank loan<br>B. Tax<br>C. Selling new shares in stock exchange<br>D. Detail finance   |
| 19 | Which one of the NOT a principle of taxation            | A. Principle of equality<br>B. Principle of morality<br>C. Principleof certainty<br>D. Principle of diversity                                      |
| 20 | In Pakistan Income tax is                               | A. Progressive tax<br>B. Regressive tax<br>C. Proportional tax<br>D. Fixed tax   |