

ICS Part 2 Economics English Medium Online Test

Sr	Questions	Answers Choice
1	In Pakistan government budget is prepared by	A. National Assembly B. President of Pakistan C. Ministry of Finance D. State Bank of Pakistan
2	The Government can collect funds from	A. Taxes B. Fees C. Prices of public goods D. All the three
3	Government finance is called.	A. National finance B. Public finance C. Private finance D. a and b above
4	Govt. taxation and spending policies are called.	A. Fiscal policy B. Monetary policy C. Commercial policy D. Finance policy
5	Which of the following tax is best example of ability to pay principle of taxes	A. excise tax on cigarettes B. Highway toll tax C. Personal income tax D. Proportional sales tax
6	In Pakistan, taxes are levied by	A. Prime Minister of Pakistan B. President of Pakistan C. Federal cabinet of ministers D. National Assembly
7	Progressive taxes	A. Increase government revenue B. Bring equality in distribution of incomes C. Act as penalty for rich people D. a and b of above
8	The most important source of income of a government is.	A. Foreign loans B. Taxes C. Printing of new money D. Sale of government property
9	It is direct tax	A. Excise tax B. Sales tax C. Income tax D. Custom duty
10	One of the following is NOT a feature of private finance.	A. Balancing of income and expenditure B. Secrecy C. Publicity D. Saving some part of income
11	Govt. prepares its budget	A. Weekly B. Monthly C. Quarterly D. Annually
12	Taxes on commodities are	A. Direct taxes B. Indirect Taxes C. Progressive taxes D. Proportional taxes
13	Whom of the following propounded principles of taxation	A. Keynes B. Adam Smith C. Marshall D. Ghazali
14	Which is a monetary measure to increase employment.	A. Increase in government expenditure B. Reduce government expenditure C. Increase in interest rate D. Reducing interest rate
15	It is NOT an instrument of monetary policy	A. Discount Rate B. Open market operation C. Change in reserve ratio D. None of these

D. Issue notes

16	Every country establishes central bank to	A. Issue notes B. Supervise commercial bank C. Give loans to businessmen D. a and b of above
17	State Bank policy of regulating interest rate is called.	A. Monetary policy B. Commercial policy C. Banking policy D. Fiscal policy
18	The money called legal tender includes.	A. Currency notes and credit cards B. Currency notes and bank deposits C. Currency notes and coins D. Currency notes and cheques
19	Treasury bill is used for	A. Getting short term loans by central bank B. Getting long term loans C. Collecting govt. taxes D. Make payments of utility bills
20	Every country establishes central bank to	A. Issue currency B. To establish commercial bank C. To prepare government budget D. All of the of above