

## ICS Part 2 Economics English Medium Online Test

Sr	Questions	Answers Choice
1	Equilibrium of national income will be when	A. $S > I$ B. $S < I$ C. $S = I$ D. $S - I$
2	This will cause decrease in national income.	A. Rise in exports B. Rise in saving C. Increase in taxes D. B and C above
3	MPC is always.	A. Positive B. Negative C. Zero D. More than APC
4	GDP at constant prices, calculated according to some base year is called.	A. actual GDP B. Real GDP C. Net GDP D. Nominal GDP
5	National income equals.	A. $C + I + G$ B. $C - I - G$ C. $C - S - G$ D. $C + S + G$
6	In equilibrium of national income.	A. $S > I$ B. $S = I$ C. $S < I$ D. All are true
7	Aggregate demand means.	A. Aggregate saving B. Aggregate Income C. Aggregate investment D. Aggregate expenditure
8	Which of the following is a withdrawal from the circular flow of income stream.	A. Taxation B. Consumption C. Subsidies D. Investment
9	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
10	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
11	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
12	Consumption is a function of.	A. Saving B. Investment C. Income D. Expenditure
13	If $C = 200$ and $I = 40$ then $Y$ will equal	A. 160 B. 240 C. 8000 D. None of the above
14	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

15	Which shows equilibrium of national income	A. Consumption = investment B. Saving = investment C. Saving > investment D. Saving < investment
16	It can change money supply	A. National Assembly B. Supreme court C. Government D. State Bank
17	The most important feature of money	A. General acceptability B. Store of value C. Convertibility into gold D. Medium of exchange
18	Cheque is	A. Legal Money B. Credit money C. Paper money D. Not money
19	Commercial Bank create	A. Credit money B. Token money C. Legal Money D. Do not create money
20	Quantity of money has relation with value of money	A. Direct B. Indirect C. Inverse D. No relation