

## Principles of Economics Icom Part 1 English Medium Chapter 11 Online Test

Sr	Questions	Answers Choice
1	If we deduct foreign income from GNP, we get:	A. N.N.P B. G.D.P C. D.P.I D. P.I
2	National income at factor cost is equal to:	A. G.N.P - Subsidies + taxes B. N.N.P - Direct tax + Subsidies C. G.D.P - Subsidies + taxes D. N.N.P - Indirect tax + Subsidies
3	National Income is also known as:	A. National product B. Total expenditure C. Total population D. Both a and b
4	During depression, increases	A. Unemployment B. Employment C. Profit D. Production
5	The innovation theory of trade cycles was presented by	A. Hayek B. Hawtray C. Schumpeter D. Pigou
6	According to Prof. Juglar a trade cycle completes in	A. Five to six years B. Nine to ten years C. Ten to eleven years D. Eleven to twelve years
7	According to Prof. Kitchen a trade cycle completes in	A. Two years six months B. Three years or Fifty years C. Fifty years or Sixty years D. Sixty years or Seventy years
8	During the phase of recovery prices, wages, interest rate and profits	A. Start falling gradually B. Start rising gradually C. are highest D. are lowest
9	During the phase of boom level of income and employment is	A. Increasing B. Decreasing C. Highest D. Lowest
10	During the phase of recession prices of goods	A. Start rising B. Start falling C. are highest D. are lowest
11	Which phase starts with the increase in expected rate of profit	A. Depression B. Recovery C. Boom D. Recession
12	During recession demand for factors of production is	A. More B. Limited C. Very low D. Too much
13	Economy gets prosperity during	A. Recession B. Depression C. Boom D. Recovery
14	During depression	A. Employment increases B. Prices decrease C. Profit increases D. Prices increase
15	During boom	A. Business contracts B. Unemployment increase C. Profit decreases D. Profit increases

