

ICS Part 2 Economics English Medium Chapter 1 Online Test

Sr	Questions	Answers Choice
1	Personal income includes.	A. Direct taxes B. Indirect taxes C. Depreciation D. None of the above
2	Total value for all final goods and services produced annually by a country.	A. NNP B. GNP C. GDP D. NI
3	In calculating national income which one will NOT be included.	A. Exports B. Old age pensions C. Wages of lecturer D. Undistributed profit by firms
4	National income is a measure of	A. The size of government revenue B. Payments made to factor of production C. Production of goods per day D. Total working hours
5	It would increase the level of national income.	A. An increase in taxation B. A reduction in government spending C. An increase in exports D. Students scholarships
6	Govt. transfer payment include	A. Social security benefits B. Welfare benefits C. Student scholarships D. All of the above
7	In circular flow model	A. Govt. owns productive resources B. Firms own productive resources C. Households own productive resources D. Rent of land is not included
8	Which of the following is not included in personal income	A. Social security benefits B. Dividend payments C. Undistributed corporate profits D. Interest received from saving certificates
9	National Income is.	A. Total Income earned in producing the national product B. All taxes plus govt. spending C. Sum of personal income and saving D. NNP minus the capital consumption allowance
10	Net Exports are	A. Total Exports plus total imports B. Total exports minus total imports C. Total exports divided by total imports D. Total imports minus total exports
11	Consumption spending does NOT include.	A. Household's purchases of clothes B. Household's purchase of a car C. Household's payment of rent for an apartment D. Household's purchase of shares of a business corporation
12	Which of the following would NOT be included in GNP	A. Govt. Transfer payments B. Govt. Purchase of an air plane C. Payment for construction of highway D. Salary paid for the president's secretary
13	Investment spending included the purchase of.	A. Lottery coupon B. Prize Bond C. Residential construction D. " " "

		D. all of the above
14	Market value of all final goods and services produced in a country during a year is definition	A. GNP B. NNP C. NI D. Consumption
15	PI is equivalent to	A. DPI Minus personal taxes B. DIP Plus unearned receipts C. DPI Minus income earned but not received D. NI plus unearned receipts minus personal taxes
16	Net investment is	A. Gross investment minus household investment B. Gross investment minus govt. investment C. Gross investment minus capital consumption allowance D. None of the above
17	In terms of national income accounts, multiple counting refers to.	A. The addition to GNP of multiple units of a good B. Counting currently produced goods more than once C. The inclusion in GNP of gross spending and taxes D. Counting both goods and services