

ICS Part 2 Economics English Medium Chapter 4 Online Test

Sr	Questions	Answers Choice
1	It is assumption of quantity theory of money	A. Velocity of circulation of money constant B. Affects only industrial sector C. Makes distribution of national income better D. Has no effect on distribution of income
2	Velocity of circulation of money means.	A. Total demand for money B. Annual increase in currency notes C. Number of times a unit of money changes hands D. total supply of money
3	If we put this letter in the blank space we get quantity theory of money $PY = M$	A. S B. T C. V D. A
4	They are NOT much affected by rising prices.	A. Salaried persons B. Business C. Debtors D. Importers
5	Value of money and supply of money are related.	A. Inversely B. Directly C. Govt. Law D. Are not related
6	Value of money means	A. General purchasing power of money B. Gold purchased by money C. Demand for money D. Importance of money
7	According to Keynes people demand money for purposes .	A. 1 B. 2 C. 3 D. 4
8	For the economy prices are beneficial	A. Falling slowly B. Rising slowly C. Rising fast D. Falling fast
9	The quantity demanded of money rises.	A. As the interest rate falls B. As the interest rate rises C. As the supply of money falls D. As the number of banks rises
10	During inflation	A. Lenders lose borrowers gain B. Borrowers and lenders both lose C. Borrowers lose lenders gain D. All sections of the society gain
11	According to Keynes demand for money is affected by	A. Income B. Rate of interest C. Literacy rate D. a and b of above
12	Banks discount it and advance loans.	A. Draft B. Bill of Exchange C. pay order D. Gold
13	Under normal circumstances the velocity of circulation of money in a country is.	A. 100% B. negative C. Less than 10 D. Zero
14	Which One is equation of exchange.	A. $PT = MV$ B. $PV = MT$ C. $PM = TV$ D. None

15	When the nations money supply is Rs. 1200 million and GDP is Rs. 4800 billion. velocity of circulation money is.	A. 0.25 B. 4 C. 0.4 D. Billion Rupees
16	When value of money falls, they benefits more	A. Debtors B. Lenders C. Farmers D. Industrialist
17	Value of money in pakistan in determined by	A. Govt of Pakistan B. General Price Level C. State Bank Pakistan D. Value of Dollar