Principles of Economics Icom Part 1 English Medium Chapter 9 Online Test

Sr	Questions	Answers Choice
1	A firm suffers abnormal losse, when:	A. AC = AR B. AVC = AR C. AVC < AR D. AVC > AR
2	"Quantity of goods and services which is consumed during a year is called national income". This definition of national income is stated by the economist	A. Marshall B. Pigou C. Adam smith D. Fisher
3	Main elements of circular flow of national income are	A. People or house holds B. Firms C. House holds and firms D. Industrial lists
4	Price discrimination policy refers to:	A. Single price B. Two prices C. Multiple prices D. None of these
5	Net national product is found by	A. Subtracting tax from gross national product B. Subtracting transfer payments form gross national product C. Subtracting depreciation allowance from gross national product D. Subtracting subsidies from gross national product
6	---------- is not included in gross domestic product	A. Private investment B. Income received from foreign country C. Depreciation allowance D. Govt. investment
7	In the long run monopolist earns profit:	A. Normal B. Abnormal C. Super normal D. Both b and c
8	The term "Price Taker" is used in:	A. Perfect competition B. Oliogopoly C. Monopoly D. Monopsony
9	Expenditures of repair of machines are called	A. Unproductive expenditures B. Productive expenditures C. Rewards D. Depreciation allowance
10	Which thing should be added in net national product to get gross national product	A. Direct taxes B. Indirect taxes C. Depreciation allowance D. Subsidies
11	Disposable personal income means	A. Total of incomes B. Income of an industry after fulfilling all the needs C. After paying personal taxes, income of the people who provide factors of production D. Save income of a person after the payment of the taxes
12	To measure national income is used	A. Product method B. Incomes of the factor method C. Expenditure method D. All the three
13	Transfer payment means that income	A. Which can move from one place to order place i.g. money etc. B. Which is received without labour, e.g. Zakat, gift , pension etc C. Which is received after hardwork

		D. Which is received by exports
14	Oligopoly means:	A. Single seller B. Two seller C. Multiple sellers D. Multiple buyers
15	A firm gains normat profit, where:	A. P=AC B. P>AC C. P<AC D. AC>AR
16	Method of measuring national income	A. National income=Gross national product - depreciation allowance B. National income= Net national product - Indirect costs C. National income= Net national product + subsidies D. National income= Net national product - indirect taxes + subsidies
17	A firm gains abnormal profit, when:	A. TR = TC B. TR > TC C. TR < TC D. MC = MR
18	Equilibrium of national income is, when	A. S > 1 B. S = 1 C. S < 1 D. S and 1
19	Gross national product means	A. Total of price of all goods produced in a country in year B. Total of price of all consumer goods produced in the economy during a year C. Total of goods and services produced in the economy during a year D. Total of monetary value of goods and services produced during a year in the economy
20	One of the following precautions is not included in measurement of national income by product method	A. To subtract depreciation allowance B. To subtract indirect taxes C. Not to include transfer payments D. To include subsidies