

## Assessment - Economics, Finance & Entrepreneurship Skill-II || 2nd Semester

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**\*Required**

Assessment - Economics, Finance & Entrepreneurship Skill-II || 2nd Semester

60 Questions @ 01 Mark || Total = 60 Marks

Which of these is likely to increase the most in a severe recession? \*

1 point

- ☒ cyclically unemployed
- ☐ structurally unemployed
- ☐ frictionally unemployed
- ☐ seasonally unemployed

The interaction of households and firms in a market can be described as a \_\_\_\_\_ of money, goods and services and resources through product and factor markets. \*

1 point

- ☐ Regular flow
- ☒ Circular flow
- ☐ Constant flow
- ☐ Stable flow



Which of the following is not a function of RBI? \*

1 point

- ☐ Controlling Inflation
- ☒ Accepting deposits from common people
- ☐ Working as Banker's Bank
- ☐ Working as Government's Bank

The most appropriate measure of a country's economic growth is

1 point

- \_\_\_\_\_ \*
- ☐ GDP
  - ☒ Per capita real income
  - ☐ NDP
  - ☐ GNP

The national income is \*

1 point

- ☐ NNP at market price
- ☐ NNP at factor cost
- ☐ GNP at factor cost
- ☐ GNP at market price



Which one is included in the primary function of money? \*

1 point

- ☐ a) Medium of Exchange
- ☐ b) Measure of Value
- ☐ c) Store of Value
- ☐ All of these
- ☐ Only (a) & (b)
- ☐ Only (a) & (c)
- ☐ Only (b) & (c)

Barter System cannot function well \*

1 point

- ☒ because goods are not always divisible
- ☐ because transaction costs are minimal
- ☐ because goods are always standardized
- ☐ All of these
- ☐ None of these

In closed economy, which sector is not included? \*

1 point

- ☐ Government
- ☐ Household
- ☐ Firms
- ☒ Foreign Sector



Which is the following being a qualitative credit control measure of RBI? \* 1 point

- ☐ Bank Rate
- ☒ Moral Suasion
- ☐ Open Market Operation
- ☐ Repo Rate

Which of the following is not a component of domestic income? \* 1 point

- ☐ Mixed income
- ☒ Net factor income from abroad
- ☐ Operating surplus
- ☐ Compensation of employees

The simple circular flow model shows that: \* 1 point

- ☒ Households are on the buying side of both product and resource markets
- ☐ Businesses are on the selling side of both product and resource markets
- ☐ Businesses are on the buying side of the product market and on the selling side of the resource market
- ☐ Households are on the selling side of the resource market and on the buying side of the product market



Which of the following is NOT a function of a commercial bank \* 1 point

- ☐ Keeping Foreign exchange Reserve
- ☐ Providing loans to public
- ☐ Accepting deposits from public
- ☐ Providing Local facilities

The net value of GDP after deducting depreciation from GDP is \_\_\_\_\_ 1 point

\*

Write down the answer

Net domestic product

If leakages > injections, then the circular flow will \* 1 point

- ☐ Remains same
- ☐ Expand
- ☐ Shrink
- ☐ Cannot be determined

Why are the intermediate goods not included in the National Income while measuring National Income? \* 1 point

- ☐ To avoid double accounting
- ☐ It decreases income
- ☐ Intermediate goods are not good
- ☐ All of these
- ☐ None of these

The \_\_\_\_\_ problem refers to the way in which resources or inputs are organized to produce the goods and services that consumers want \* 1 point

- ☐ Full employment of resources



- ☐ For whom to produce
- ☐ What to produce
- ☐ How to produce

Consumption depends on \_\_\_\_\_ \*

1 point

- ☐ Private income
- ☐ Personal disposable income
- ☐ Corporate income
- ☐ All of the Above
- ☐ None of the Above

Which of the following represents a leakage from the circular flow of income \*

1 point

- ☐ Taxes (T)
- ☒ Export (X)
- ☐ Government Expenditure. (G)
- ☐ Investment (I)

Total national income divided by total population is known as: \*

1 point

- ☐ Personal spendable income
- ☐ Private income
- ☒ Per capita income
- ☐ Personal income



An Indian farmer produces wheat without incurring cost of inputs all sells for Rs. 1,000 to a miller who grinds wheat into flour and sells for Rs 1,200 to

1 point

baker. The baker sells bread to consumers for Rs. 1,600. Total value added is Rupees \_\_\_\_\_ \*

Calculate the amount & write down the answer only in numeric. (E.g. 1200)

1600

Which of the following is NOT included in the calculation of Gross National Product? \* 1 point

- ☐ Purchase and Sale of Old commodities
- ☐ Intermediate Commodities
- ☐ Both of the Above
- ☐ None of the Above

Workers who are unemployed because they lack the skills needed by employers are called \_\_\_\_\_ \* 1 point

- ☒ structurally unemployed
- ☐ seasonally unemployed
- ☐ cyclically unemployed
- ☐ frictionally unemployed

Which of the following is the method of measuring National Income? \* 1 point

- ☐ Income method
- ☐ Product method
- ☐ Expenditure method
- ☐ All of these
- ☐ None of these



Depreciation is also known as \*

1 point

- ☒ Consumption of fixed capital
- ☐ Compensation for normal wear and tear of capital goods
- ☐ Both of these
- ☐ None of these

If Net Indirect taxes = 0 then \*

1 point

- ☐  $GDP_{mp} = GDP_{fc}$
- ☐  $NDP_{mp} = NDP_{fc}$
- ☐  $GNP_{mp} = GNP_{fc}$
- ☒ All of the Above
- ☐ None of the Above

Which one is included in National Income? \*

1 point

- ☐ Transfer Earnings
- ☐ Sale proceeds of Shares and Bonds
- ☐ Black Money
- ☐ All of the Above
- ☒ None of the Above



GST is a form of what Tax \*

1 point



Only write down the type of Tax (SINGLE WORD)

Your answer

If Atif Aslam comes to India and performs at a concert, his remuneration will be included in \_\_\_\_\_ \* 1 point

- ☐ GDP of Pakistan
- ☐ GDP of India
- ☒ GNP of India
- ☐ GNP of Pakistan

"The Salary of your house-help is included in the national income. But if the same work is done by your family members it is not included in national income" - This Statement is \* 1 point

- ☐ True
- ☐ False
- ☐ Cannot be determined

Economics is a science which deals with \_\_\_\_\_ \* 1 point

- ☐ numbers and combinations
- ☒ matters and substance
- ☐ human wants and resources
- ☐ chemicals and reactions

If the annual inflation rate is 5% per year, and the nominal interest rate is 6%, the real interest rate is \_\_\_\_\_ per year \* 1 point

Calculate the Real Interest Percentage & write down the answer. (E.g. 00.00%)



Calculate the Real Interest Percentage & write down the answer. (E.g. 00.00%)

0.95%

Which one is included in the three-sector model? \*

1 point

- ☐ Households
- ☐ Firms
- ☐ Government
- ☒ All of these
- ☐ None of these

Commercial banks: \*

1 point

- ☐ a) Issue currency notes
- ☐ b) Accepts deposits from customers
- ☐ c) Provide loans to customers
- ☐ All of these
- ☐ Only (a) & (b)
- ☐ Only (a) & (c)
- ☒ Only (b) & (c)

GNP at Market Price (MP) = ? \*

1 point

- ☐ GNP MP + Subsidy
- ☐ GDP MP + Net Factor Income from Abroad
- ☐ GDP MP – Depreciation
- ☐ GNP MP + Taxes



Workers temporarily unemployed but who normally find jobs quickly are called \_\_\_\_\_ \*

1 point

Write down the answer

frictionally unemployed

100/- Rupee note is signed by \*

1 point

- ☐ President
- ☐ Finance Minister
- ☐ Prime Minister
- ☒ RBI Governor

The financial year in India is \*

1 point

- ☐ January 1 to December 31
- ☐ March 1 to April 30
- ☒ April 1 to March 31
- ☐ March 16 to March 15

Which of the following is not included in GDP at factor cost? \*

1 point

- ☐ Net indirect taxes
- ☐ Depreciation
- ☐ Net factor income from abroad (NFIA)



- ☐ All of the Above
- ☐ None of the Above

The value of national income adjusted for inflation is called \_\_\_\_\_ \* 1 point

- ☒ Real national income
- ☐ Disposable income
- ☐ Per capita income
- ☐ Inflation rate

Which equation is related to circular flow in the four-sector model? \* 1 point

- ☐  $C + I$
- ☐  $C + I + G$
- ☒  $C + I + G + (X - M)$
- ☐ None of these

In the circular flow of Income Model, the outer flow is called \_\_\_\_\_ \* 1 point

- ☐ Real Flow
- ☐ Money Flow
- ☒ Both of the Above
- ☐ None of the Above

Which of the following statements is TRUE? \* 1 point

- ☐ Interest paid by a household on car loan from a bank is a factor payment
- ☐ All producer goods are not capital goods



- ☐ All producer goods are not capital goods
- ☐ Transfer income is received for providing a good or service in return
- ☐ Bread is always a consumer good

Ayush's mother is a teacher. She also teaches Ayush's. How would the latter be treated while calculating national income and domestic income? \*

1 point

- ☐ It will be included in the domestic income, but not in the national income
- ☐ It will be included in domestic income as well as national income
- ☒ It will neither be included in the domestic income nor in the national income
- ☐ It will be included in the national income, but not in the domestic income

Individuals are counted as unemployed if they have \*

1 point

- ☒ no job but looked for a job at least once in the last six months
- ☐ no job and are not looking
- ☐ no job
- ☐ no job but looked for a job at least once in the last four weeks

Telegram Department of India has been permanently shut down. The workers used to work over there are \_\_\_\_\_ \*

1 point

- ☐ Cyclically unemployed
- ☐ Seasonally unemployed
- ☐ Structurally unemployed
- ☐ Frictionally unemployed

Which of the following rates represents running inflation? \*

1 point

- ☐ 2 to 5 percent per annum

- ☐ 3 to 5 percent per annum
- ☐ 5 to 9 percent per annum
- ☐ 10 to 20 percent per annum
- ☐ more than 100 percent per annum

If the population of a country is 60 Crores and the labor force of the country consists 43 Crores, the rate of unemployment will be \_\_\_\_\_ \* 1 point

Calculate the unemployment percentage & write down the answer. (E.g. 00.00%)

39.53%

When a nation's exports exceed its imports and is calculated as exports - imports \* 1 point

- ☒ Gross domestic product
- ☐ Trade surplus
- ☐ Trade deficit
- ☐ Inventory

Which of the following is CORRECT ? \* 1 point

- ☐ Disposable Income = Private Income – Direct Taxes
- ☐ Disposable Income = Personal Income – Indirect Taxes
- ☐ Disposable Income = Private Income – Indirect Taxes
- ☐ Disposable Income = Personal Income – Direct Taxes

If CRR increases then rate of inflation will \_\_\_\_\_ \* 1 point

Write down the answer (SINGLE WORD)

decreases



Which one is TRUE? \*

1 point

- ☐ GNP = NNP – Depreciation
- ☐ GNP = GDP + Depreciation
- ☒ NNP = GNP – Depreciation
- ☐ NNP = GNP + Depreciation

\_\_\_\_\_ is an example of Macroeconomic theory \*

1 point

- ☐ Theory of Profit
- ☒ Theory of Production
- ☐ Theory of Rent
- ☐ General Theory

Which type of unemployment is observed in the Agricultural sector? \*

1 point

Only write down the type of unemployment (SINGLE WORD)

Disguised unemployment

If for a country net factor income from abroad is negative then: \*

1 point

- ☐  $GDP \geq GNP$
- ☐  $GDP < GNP$
- ☐  $GDP = GNP$
- ☒  $GDP > GNP$



According to the National Income Accounting Identity \*

1 point

- ☐ Savings  $\equiv$  Investment
- ☐ Government Expenditure  $\equiv$  Taxes
- ☐ Export  $\equiv$  Import
- ☐ All of the Above
- ☐ None of the Above

In factor market suppliers are \_\_\_\_\_ \*

1 point

- ☐ Firms
- ☐ Households
- ☐ Government
- ☐ All of the above
- ☐ None of the above

Which of the following is CORRECT? \*

1 point

- ☐ If national income rises, per capita income must also rise
- ☐ If population rises, per capita income must fall
- ☐ If national income rises, welfare of the people must rise
- ☐ All of the above
- ☐ None of the above





An equation specifies the relationship between the \_\_\_\_\_ variables \* 1 point

- ☒ Dependent and independent variables
- ☐ Positive and normative
- ☐ Fiscal and monetary
- ☐ Endogenous and exogenous

NDP at Factor Cost (FC) = ? \* 1 point

- ☐ NDP MP – Indirect Tax
- ☐ NDP MF – Depreciation
- ☐ GNP MP – Indirect Tax + Subsidy
- ☐ NDP MP – Subsidy

For which form of money the intrinsic value is more than its face value? \* 1 point

- ☐ Paper Currency
- ☐ Plastic Money
- ☐ Gold Coin
- ☐ Steel Coin



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