

MCQ based on Semester 4 - EC4CRT05 Macro Economics I

1. The first National Income calculation on a scientific basis in India is in the year
A. 1947-48 B. 1951-52 C. 1931-32 D. 1990-91
 2. NNP means
A) GDP – depreciation B. GDP + depreciation C. NNP – depreciation
D. GNP – depreciation
 3. “Rest of the world” is the major element in
A. Two sector model B. Three sector model C. Four sector model D. All the above
 4. Cotton yarns purchased by handloom worker is
A. An intermediate good B. A consumer good C. A capital good D. None of these
 5. “Inflation is always and everywhere a monetary phenomenon” these are the famous words of
Milton Friedman B. Adam Smith C. David Ricardo D. J M Keynes
- When the rise prices is very slow like that of a snail is called
A. Hyper inflation B. Running inflation C. Creeping inflation D. Walking inflation
- The concept of “laissez-faire” was the contribution of
A. Classical economist B. Neo Classical economist C. Keynesian economist
D. Supply side economist
- “Supply creates its own demand” is the idea of
A. JB Say B. Samuelson C) JM Keynes D) Milton Friedman
- Which of the following is *not an* assumption of classical theory
A Neutrality of money B Wage price flexibility C. Involuntary unemployment
D. Long run
10. Defects in SNA include
A. Neglects depletion of natural capital B. Neglects environmental pollution
C. Expenditure to defend the effects of pollution D. All of the above
 11. Green accounting accounts for
A. Depletion of natural resources B. Costs of environmental degradation
C. Pollution D. All of the above
 12. Quantity of money according to classical theory will determine the
A Saving and investment B National output C Real wage D. Price level
 13. Under Keynesian cross model , rate of interest is
A. Endogenous variable B. Exogenous variable C. Exponential variable
D. None of the above
 14. Wage price flexibility is the contribution of which of the following economist?
A. J B Say B . J M Keynes C. J S Mill D. A C Pigou

15. According to Keynes what causes changes in inducement to invest by entrepreneurs?
 A. MPC and MEI B. MEC and MPS C. MEC and rate of interest
 D. MPC and rate of interest
16. The deficiency of aggregate demand during depression period leads to
 A. Seasonal unemployment B. Voluntary unemployment
 C: Involuntary unemployment D: Frictional unemployment
17. In Keynesian model of income determination autonomous investment occurs due to
 A. Change in income B. Change in employment C. Change in profit
 D. Change in social welfare programmes
18. Early Keynesian economists' view is
 A. Money alone matters B. Money does not matters C. Money partly matters
 D. None of the above
19. Which among the following is not a tool of fiscal policy
 Government expenditure B. Taxation C. Transfer payments D. Bank rate
20. The formula for calculating simple multiplier is
 1/1-MPC B. 1/MPC=MPS C. 1/1-MPS D. 1/MPC+MPS
21. The balanced budget multiplier in the Keynesian Cross Model is
 a. Equal to one. (b) greater than one. (c) less than one d. None of these
22. The concept of multiplier was first developed by
 a. J M Keynes b. F A Khan c. J D Clark d. Samuelson
23. The formula for calculating investment multiplier is
 $\frac{\Delta Y}{\Delta I}$ B. $\Delta Y + \Delta I$
 C. $\frac{\Delta I}{\Delta Y}$ D. $\Delta C + \Delta I$
24. Which among the following *does not* have the application of multiplier
 a. Determination of income b. Fiscal policy c. Monetary policy d. Foreign direct investment
25. Which of the following Fisher's equation of exchange is *not correct*
 a. $MV=PT$ b. $MV=PQ$ c. $MV=PY$ d. $MV=PR$
26. The tendency of the people to believe the currency of nominal value at present to be equal to purchasing power at a previous point is called
 a. Legal tender money b. Demonetisation c. Money illusion d. Remonetisation
27. The relationship between money supply and price level under Quantity theory of money is :
 a. Direct non proportionate relationship b. Inverse proportionate relationship
 c. Direct proportionate relationship d. Inverse non proportionate relationship

28. In Keynes consumption theory the chief factor that determines consumption expenditure is
 a. Personal income b. Relative income c. Permanent income d. Disposable income
29. Under Keynes Psychological law of consumption the relationship between consumption and income is
 a. Linear and proportional b. Non-linear and proportional
 c. Linear and non-proportional d. Nonlinear and non-proportional Both C & D
30. Equation $M=KPT$ is propounded by which of the following Cambridge economists
 a. Keynes b. Marshall c. Robertson d. Pigou
31. In equation $C= a+by$, the value of b lies between
 a. $0 < b < 1$ b. $0 > b < 1$ c. $0 = b < 1$ d. $0 > b < 1$
32. The relation between APC and MPC in Keynes Psychological consumption function is
 a. $MPC < APC$ b. $MPC = APC$ c. $MPC > APC$ d. None of the above
33. Under Keynes's consumption function consumption is a _____ function of income
 a. Unstable b. Inverse c. Stable d. Neutral
34. Under Classical theory, demand for labour is the same as
 a. MP curve of labor b. MRP curve of labor c. MC curve of labor d. MPP curve of labour
35. The reason for existence of proportional relationship between money stock and price level is
 a. Money illusion b. Inflation c. Full employment d. Wage price flexibility
36. Which among the following is not a feature of Keynesian theory?
 a. Short run b. Wage price flexibility c. Fiscal policy d. Underemployment equilibrium
37. Money on wings indicates
 A. Store value function of money
 B. Medium of exchange function of money
 C. Measure of value function of money
 D. All of the above
38. Cash balance approach in Quantity theory emphasis on
 A. Money as a medium of exchange
 B. Money as a store of value
 C. Money as a measure of value
 D. Money as a transfer of value
39. In the classical theory, output and employment are determined by
 A. Production function
 B. Demand for labor and supply of labour
 C. Effective demand
 D. Both A & B
40. Under Keynesian theory employment and output is determined by
 A. Saving investment equality
 B. Production function

- C. Effective demand
- D. Demand for money and supply of money

41. The concept money illusion is firstly coined out by

- A. Irving Fischer
- B. Milton Friedman
- C. Alfred Marshall
- D. J M Keynes

42. Which of the following equation is *not true*?

- A. $APC+APS=1$
- B. $1-APC=APS$
- C. $1-APS=APC$
- D. $APC-1=APS$

43. Under classical theory, rate of interest is determined by

- A. Demand for money and supply of money
- B. Demand for capital and supply of savings
- C. Demand for investment and price level
- D. Demand for investment and supply of money

44. This independence of real variables from changes in money supply and nominal variables is called

- A. Money illusion
- B. Neutrality of money
- C. Classical dichotomy
- D. Money multiplier

45. The expansion in money supply doesn't affect the real output and employment in the economy indicates

- A. Effectiveness of monetary policy
- B. Effectiveness of fiscal policy
- C. Neutrality of money
- D. Money illusion

46. An increase in output and employment in the economy which arise out of increasing consumption demand and rise in real wealth is called

- A. Demonstration effect
- B. Keynes effect
- C. Income effect
- D. Pigou effect

47. Which of the following measures have to be adopted to curb out inflation from the economy?

- A. Increase in government expenditure and reduction in taxation
- B. Decrease in Government expenditure and increase in taxation
- C. Increase in transfer payments and increase in taxation
- D. Decrease in transfer payments and decrease in taxation

48. During great depression period unemployment in USA rose by

- A. 15%
- B. 25%
- C. 5%
- D. 24%

49. Keynes introduced the book General theory of employment, interest and money in the year

- A. 1929
- B. 1933
- C. 1936
- D. 1935

50. Which of the following have to be adopted to remove recession from the economy?
- A. increase in Government welfare programs and increase in taxation
 - B. Increase in Government welfare projects and decrease in taxation
 - C. Increase in Public borrowing and decrease in taxation
 - D. Decrease in public borrowing and increase in taxation
51. The two cornerstones of classical economics are
- A. The Phillips Curve and Say's Law
 - B. Say's Law and the Quantity Theory of Money
 - C. The Quantity Theory of Money and the Liquidity Preference Theory
 - D. Say's Law and the Liquidity Preference Theory
52. In the classical view, the price level is determined by
- A. aggregate supply
 - B. aggregate demand and supply
 - C. supply of money
 - D. aggregate demand
53. Assume a consumption function of the following form: $C = 50 + .8Y$. If income is equal to \$1,000, then consumption is
- A. \$50
 - B. \$1,050
 - C. \$1,000
 - D. \$850
54. During period of recession
- A. aggregate output declines
 - B. price level starts rising
 - C. unemployment declines
 - D. aggregate output rises
55. Keynesian economics came to be widely accepted because it finds solution to
- A. Stagflation of 1970s
 - B. Recession in 2008
 - C. Low growth rates in 1950s
 - D. Great depression of 1930s
56. Macroeconomics is a study of economics that deals with which 4 major factors:
- A. households, firms, government, and demand-supply
 - B. households, firms, government and external sector
 - C. profits, price level, cost and expenditure
 - D. none of the above
57. Average number of times a unit of money changes from one hand to another is called
- A. price level
 - B. Money supply
 - C. Value of money
 - D. Velocity of circulation
58. Who is considered as the father of modern macroeconomics?
- A. Ragnar Frisch
 - B. Adam Smith
 - C. J M Keynes
 - D. Milton Friedman

59. Under Keynesian theory of income determination, investment
A. Depends on income B. Endogenous
C. Exogenous D. Depends on money supply
60. In a three sector economy, Y equals
A. C+I B. C+I+G C. $C+I+G=(X-M)$ D. None of these
61. Under equation $C= a+by$, $b=0.8$, what is the value of expenditure multiplier
A. 4 B. 2 C. 5 D. 1
62. In equation $C= a+by$, a indicates
A. consumption at zero level of income
B. Average propensity to consume
C. MPC
D. None of the above
63. Under Keynesian framework income is measured along
A. 45° line
B. Vertical line
C. Horizontal line
D. None of the above
64. Factor income of household sector is equal to
A. Factor payments by firms B. Factor income of firms
C. Expenditure of households D. Income of households
65. Those goods which are meant for final use of consumption are known as
A. Consumer goods B. Value added goods C. Intermediate goods D. All the above
66. A laptop purchased by consumer is an example of
A. An intermediate good B. A consumer good
C. Intermediate consumption D. None of the above
67. The policy relates to the taxation, expenditure and borrowing of the government is known as
A. Monetary policy B. Fiscal policy C. Taxation policy D. None of the above
68. Which is the most liquid measure of money supply
A. M1 B. M2 C. M3 D. M4
69. If aggregate demand falls short of current output, it would result in
A. business firms will cut production to keep from accumulating inventories.
B. business firms will expand production to keep from accumulating inventories.
C. business firms will cut production to build up inventories.
D. business firms will expand production to build up inventories.
70. The expenditure multiplier is the ratio of
A) the change in equilibrium output to a change in the monetary base.
B) the change in the money supply to a change in the monetary base.
C) the change in the money supply to a change in the autonomous expenditure.

D) the change in equilibrium output to a change in the autonomous expenditure.

71. In the Keynesian model of income determination, consumer expenditure includes spending by

- A) consumers on personal computers.
- B) businesses on personal computers.
- C) governments on personal computers.
- D) all of the above since computers are consumer durables.

72. The multiplier concept is important in the Keynesian model because

- A) it explains why a large change in autonomous spending has such a small impact on equilibrium output.
- B) it explains why a small change in autonomous spending can have a large impact on equilibrium output.
- C) it is crucial to understanding why changes in investment spending are viewed as the root cause of business cycles fluctuations.
- D) both (b) and (c) of the above.

73. Under Keynesian model aggregate expenditure is measured along

- A. Vertical axis
- B. Horizontal axis
- C. Vertical intercept
- D. 45° line

74. Which of the following is an example of capital expenditure

- A. spending on laptops by consumers
- B. spending on power-looms by business firms
- C. spending on infrastructure by Government
- D. Both B&C

75. Under Simple Keynesian model the aggregate price level

- A. Vary for a short period
- B. Fixed in long run
- C. Fixed
- D. None of the above

76) The well known work formulated by J.M. Keynes:

- A general theory of employment, interest and money
- B principles of economics
- C Principles of Modern Trade
- D Modern Theory of Fiscal Policy

77) Transaction demand for money is a function of:

- A income
- B interest
- C price
- C inflation

78) The value of MPC in Keynesian model is:

- A greater than zero and less than one
- B MPC=1

- C MPC greater than one
- D None of the above

79) According to Keynesian multiplier model the value of MPC is 0.75 what would be the value of multiplier
A 4.0
B 1.33
C 2.00
D None of the above

80) According to two sector Keynesian model the aggregate demand is
A summation of consumption expenditure and investment expenditure
B consumption expenditure only
C investment expenditure only
D None of the above

81) Choose correct option

Statement 1: Model assumes stickiness prices
Statement 2: Classical model assumes flexibility of prices

- A statement one and two are correct
- B statement one only correct
- C statement two only correct
- D both are incorrect

82) Interest rates and bond prices are;
A positively related
B negatively related
C not related
D Either A or B

83) Keynes's motivation in developing the aggregate output determination model from his concern with explaining;
A) the hyperinflations of the 1920s.
B) why the Great Depression occurred.
C) the high unemployment in Great Britain before World War I.
D) the high unemployment in Great Britain after World War II

84) Statement 1: There exists an inverse relationship between market rates of interest and price of bond
Statement 2: The liquidity trap is a situation when at some very low rate of interest all asset holders become bears
A both are incorrect
B both are correct
C statement one is correct and two is not correct
D statement one is incorrect and two is correct

85) The Foreign Trade Multiplier is the ratio of;

- A) the change in equilibrium output to a change in import.
- B) the change in the money supply to a change in the monetary base.
- C) the change in the money supply to a change in the autonomous expenditure.
- D) the change in equilibrium output to a change in the autonomous expenditure.

86) An increase in planned investment spending causes aggregate output to;

- A) increase by an amount equal to the change in investment spending.
- B) increase by an amount less than the change in investment spending.
- C) increase by an amount greater than the change in investment spending.
- D) decrease by an amount less than the change in investment

87) Keynes assumed that the price level was fixed because

- A) inflation was not a serious problem during the Great Depression.
- B) his primary focus was on output and employment.
- C) his primary focus was on interest rates and investment spending.
- D) of both (a) and (b) of the above.

88) IS curve shows that when income increases

- A Interest rate must fall to restore equilibrium in the goods market
- B Interest rate must fall to restore Equilibrium in the asset market
- C Interest rate must rise to restore equilibrium in the asset market
- D Interest rate must rise t restore equilibrium in the goods market

89) the LM curve slope:

- A vertical
- B slope upward
- C slope downwards
- D Horizontal

90) the slope of IS curve

- A vertical
- B slope upward
- C slope downwards
- D Horizontal

91) A significant increase in public expenditure lead to:

- A Right ward shift in LM curve
- B right ward shift in IS curve
- C left ward shift in LM curve
- D Left ward shift in IS curve

92) Multiplier is the ratio of

- A change in income to change in investment
- B change in investment to change in income
- C change in income to change in interest
- D None of the above

93) In a closed economy, aggregate demand is the sum of

- A) consumer expenditure, actual investment spending, and government spending.
- B) consumer expenditure, planned investment spending, and government spending.
- C) consumer expenditure, actual investment spending, government spending, and net exports.
- D) consumer expenditure, planned investment spending, government spending, and net exports.

94)) Keynes assumed that the price level was fixed because

- A) inflation was not a serious problem during the Great Depression.
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- C) his primary focus was on interest rates and investment spending.
- D) of both (a) and (b) of the above.

95) Accelartor theory of investment is the ratio of:

- A) change in income to change investment
- B) change in investment to change in income
- C) change in income to change in interest
- D) None of the above

96) IS curve represent the combination of:

- A combination of income and interest
- B Combination of price and out put
- C combination of interest and investment
- D None of the above

97) LM curve represents the combination of ;

- A price and out put
- B Demand for money and supply of money
- C income and investment
- D. Money supply and nvestment

98) Effective demand is where ;

- A aggregate demand is equal to aggregate supply
- B Demand for money is equal to supply of money
- C saving is equal to supply
- D None of the above

99) according to Keynesian theory:

statement 1: price are sticky

statement 2: after full employment change in aggregate demand lead to istatements

- A Only statement 1 is correct
- B only statement 2 are correct
- C both are correct
- D None of the above are correct

100) speculative demand for money is a function of

- A income
- B interest
- C price
- D investment

101) Which of the following is NOT a flow variable?

- a) Income
- b) Wealth
- c) Saving
- d) Investment

Ans: Wealth

102) Macroeconomics is concerned with:

- a) The level of output of goods and services
- b) The general level of prices
- c) The growth of income
- d) All the above

Ans: All the above

103) Which of the following is NOT a stock variable?

- a) Capital
- b) Wealth
- c) Interest
- d) Saving

Ans: Saving

104) The word Macro was first used in Economics by:

- a) Keynes
- b) Marshall
- c) Ragnar Frisch
- d) J.R. Hicks

Ans: Ragnar Frisch

105) National Income is a:

- a) Stock concept
- b) Flow concept
- c) Cross section analysis
- d) None of the above

Ans: Flow concept

106) A variable which has no time dimension but is described at a specific moment of time is:

- a) Stock Variable
- b) Flow Variable
- c) Ratio Variable
- d) None of the above

Ans: Stock Variable

107) Stock variable is measured :

- a) At a point of time
- b) During a period of time
- c) In an accounting year
- d) None of these

Ans: At a point of time

108) If a model has no equilibrium, it can be analysed only by :

- a) Static method
- b) Dynamic method
- c) Comparative static method
- d) static and comparative static method

Ans: Dynamic method

109) Macro-static equilibrium implies:

- a) A complete absence of change
- b) A change at an unchanged rate
- c) A change in only absolute values
- d) None of these

Ans: A complete absence of change

110) Who introduced the terms ex-ante and ex-post?

- a) Myrdal
- b) Ricardo
- c) Malthus
- d) Say

Ans: Myrdal

111) $C_t = f(Y_t - I)$ is:

a) Static Model b) Dynamic model c) Comparative static d) None of these
Ans: Static Model

112) Which of the following is a phase of Circular flow of income?
a) Generation phase b) Distribution phase c) Disposition phase d) All of these
Ans: All of these

113) Which of the following is NOT considered a factor income?
a) Rent b) Wage c) Profit d) Gifts from Abroad
Ans: Gifts from Abroad

114) Two sector economy consists of:
a) Households, firms b) Households, Government c) Firms, Foreign sector d) Firms, Government.
Ans: Households, firms

115) Real flow is also known as:
a) Nominal flow b) Money flow c) Physical flow d) Both a and b
Ans: Physical flow

116) Which of the following is the consumption sector?
a) Household b) Firm c) Government d) Foreign
Ans: Household

117) Real flow refers to the flow of factor services from ----- to -----
a) Firms to households b) Households to firms c) Firms to government d) Households to government
Ans: Households to firms

118) In a closed economy, ----- is not included
a) Households b) Firm c) Government d) Foreign sector
Ans: Foreign sector

119) Which of the following constitute the reason for difference between Market prices and factor cost?
a) Indirect Taxes b) Subsidies c) Both A and B d) neither a nor b
Ans: Both A and B

120) If factor cost is greater than Market price, then it means that:
a) Indirect taxes > subsidies b) Indirect taxes = subsidies c) Indirect Taxes < Subsidies d) Indirect taxes = and > subsidies
Ans: Indirect Taxes < Subsidies

121) Final goods refer to those goods which are used either for or for
a) Consumption, Investment b) Consumption, resale c) Resale, investment d) Resale, further production.
Ans: Consumption, Investment

122) Net Factor Income from Abroad is:
a) Export minus Imports b) Visible Exports minus Visible Imports c) Factor Income Received From Abroad Minus Factor Income Paid Abroad d) Factor income received from abroad
Ans: Factor Income Received From Abroad Minus Factor Income Paid Abroad

123) Depreciation means:
A) destruction of a plant in a fire accident b) loss of fixed assets over time due to wear and tear c) loss of fixed assets in an earthquake d) closure of the plant due to lockout

Ans: loss of fixed assets over time due to wear and tear

124) Market price and factor cost would be equal when there is:

- A) no direct tax b) no indirect tax c) no subsidy d) no indirect tax and no subsidy

Ans: no indirect tax and no subsidy

125) Which of the following is an example of Transfer Income?

- a) Bonus b) Unemployment Allowance c) Compensation from the employer d) All of these

Ans: All of these

126) Which of the following is an example of an intermediate good?

- A) car sold by a dealer of second hand cars b) steel and cement used to construct a flyover c) fertilizers purchased by a farmer d) all of these

Ans: all of these

127) Out of the following, which aggregate represents 'National Income'?

- a) NNP_{MP} b) GNP_{FC} c) NNP_{FC} d) GNP_{MP}

Ans: NNP_{FC}

128) If factor income received from abroad is equal to factor income paid abroad, then which of the following is not a valid statement?

- A) national income = domestic income b) $NDP_{FC} + \text{depreciation} = GNP_{FC}$ c) $NDP_{FC} + \text{depreciation} = GNP_{MP}$
d) all are valid

Ans: $NDP_{FC} + \text{depreciation} = GNP_{MP}$

129) Corporate tax is not a part of :

- a) Personal Income b) National income c) Domestic income d) Private income

Ans: Personal Income

130) National Disposable income is equal to:

- a) Private Final Consumption Expenditure + Government Final Consumption Expenditure + National Saving
b) National Consumption Expenditure + National Saving
c) National Income + Net Indirect Taxes + Net Current Transfers from rest of the world.
D) all of these.

Ans: all of these.

131) If economic subsidies are added to and Indirect taxes are subtracted from the national income at market prices, then it will be equal to :

- a) Domestic Income b) National Income c) GNP at Market Price d) GDP at factor cost

Ans: National Income

132) In which type of economy, domestic income is equal to national income?

- a) Open economy b) Closed Economy c) Both a and b d) Neither a nor b

Ans: Closed Economy

133) Domestic factor income is another name for:

- a) NDP_{FC} b) NNP_{MP} c) GDP_{FC} d) NNP_{FC}

Ans: NDP_{FC}

134) Which of the following is a part of National Income?

- A) old age pension b) unemployment allowance c) profit d) scholarship

Ans:PROFIT

135) NDP at FC is less than National Income when:

- a) Net factor income from abroad is positive
- b) Net factor income from abroad is negative
- c) Net factor income from abroad is zero
- d) Net exports are positive

Ans:Net factor income from abroad is positive

136) National income is equal to:

- a) Domestic product plus factor income earned from abroad
- B) domestic product plus net factor income earned from abroad
- c) Domestic product minus factor income earned from abroad
- d) Domestic product plus export minus imports

Ans:domestic product plus net factor income earned from abroad

137) -----is the net amount available to households for consumption and saving

- A) national income
- b) personal income
- c) personal disposable income
- d) government income

Ans: personal disposable income

138) GNP exceeds NNP by:

- a) Amount of total taxes
- b) Government expenditure
- c) Transfer payments
- d) Difference between Gross investment and Net Investment

Ans:Difference between Gross investment and Net Investment

139) GDP MP = Rs.1000 and subsidies = Rs.50, then GDP FC will be :

- a)1050
- b) 950
- c) 1000
- d) 900

Ans:1050

140) "Income method" is also known as:

- A) distributive share method
- b) income disposal method
- c) industrial origin method
- d) none of these

Ans: distributive share method

141) Which of the following is a synonym of "Undistributed Profits"?

- A) savings of private corporate sector
- b) reserves and surpl
- c) retained earnings
- d) all of these

Ans:all of these

142) Which one is included in National Income?

- A)winning from lottery
- b) milk purchase by a dairy shop
- c) national debt interest
- d) none of these.

Ans:none of these.

143) 'Distributed Profits' is also known as:

- a)Corporate tax
- b) Dividend
- c) Retained Earnings
- d) None of these

Ans:Dividend

144) If a farmer sells Wheat to miller for RS.500 and miller sells flour to baker for Rs.700 and baker sells bread to consumer for Rs.1000, then total value added by Miller and baker is:

- a) 500
- b) 300
- c) 1700
- d) 1200

Ans:500

145) Which of the following is included in domestic income?

- A) factor income from abroad b) windfall gains c) pension on retirement d) capital gains

Ans: pension on retirement

146) Expenditure method focuses on measurement of National income at:

- A) phases of production of goods and services b) phase of income distribution c) phase of income disposition
d) all of these

Ans: phase of income disposition

147) which of the following is not an economic activity and hence not included while estimating national income in india?

- A) medical services rendered by a dispensary b) a housewife doing household work c) a lawyer doing his practice
d) a maid working full time with a family

Ans: a housewife doing household work

148) National product at current prices is higher than national product at constant prices during a period of :

- a) Rising prices b) Falling prices c) Constant prices d) Both a and b

Ans: Rising prices

149) Net Factor Income from Abroad is taken into account when National Income is calculated by:

- A) value added method b) income method c) expenditure method d) any of the three methods

Ans: any of the three methods

150) Broker's commission on sale and purchase of second hand goods is included in national income because:

- a) It is a part of compensation of employees
b) It is a part of GROSS Domestic Capital Formation
c) it is an income earned for rendering productive services
d) None of these

Ans: it is an income earned for rendering productive services

MCQ ANSWER KEY -Macro Economics

1	C
2	D
3	C
4	A
5	A
6	C
7	A
8	A
9	C
10	D
11	D
12	D

13	B
14	D
15	C
16	C
17	D
18	B
19	D
20	A
21	A
22	B
23	A
24	C

25	D
26	C
27	C
28	D
29	B
30	C
31	A
32	A
33	C
34	A
35	C
36	B

37	B
38	B
39	D
40	C
41	A
42	D
43	B
44	C
45	C
46	D
47	B
48	B

49	C
50	B
51	B
52	C
53	D
54	A
55	D
56	B
57	D
58	C
59	C
60	B
61	C
62	A
63	C
64	A
65	A

66	B
67	B
68	A
69	A
70	D
71	A
72	D
73	A
74	D
75	C
76	A
77	A
78	A
79	A
80	A
81	A
82	B

83	B
84	B
85	A
86	A
87	D
88	A
89	B
90	C
91	B
92	A
93	B
94	D
95	B
96	A
97	B
98	A
99	C

100	B
101	B
102	D
103	D
104	C
105	B
106	A
107	A
108	B
109	A
110	A
111	A
112	D
113	D
114	A
115	C
116	A

117	B
118	D
119	C
120	C
121	A
122	C
123	B
124	D
125	D
126	D
127	C
128	C
129	A
130	D
131	B
132	B
133	A

134	C
135	A
136	B
137	C
138	D
139	A
140	A
141	D
142	D
143	B
144	A
145	C
146	C
147	B
148	A
149	D
150	C