1. The difference between value of output and value added is_____.
   a) Depreciation
   b) Intermediate consumption
   c) Net indirect taxes
   d) NFIA
2. National Income doesn't include:
   a) Interest on unproductive national debt
   b) Income for government expenditure
   c) The payments by the house hold to firm for the purchase of goods and services
   d) Undistributed profit
3. National Income differs from Net National Product at market price by the amount of :
   a) Current transfers from rest of the world
   b) Net Indirect Taxes
   c) National debt interest
   d) it does not differ
4. $GDP_{MP} = GDP +$ _____:
   a) Depreciation
   b) Indirect taxes
   c) NFIA
   d) Subsidies
5. Which of the following is not correct?
   a) $NNP_{MP} = GNP_{MP}$. Depreciation
   b) $NNP_{MP} = NNP_{FC}$ + net indirect taxes
   c) $GDP_{MP} = GNP_{MP}$ +.NFIA
   d) $NDP_{FC} = GDP_{FC}$ – depreciation
6. In GNP calculation, which of the following should be excluded ?
   a) Rental incomes
   b) Interest payments
   c) Dividends
   d) Government transfer payment
7. The net value of GDP after deducting depreciation from GDP is
   a) Net national product
   b) Net domestic product
   c) Gross national product
   d) Disposable income
8. When depreciation is deducted from GNP, the net value is
   a) Net national product
   b) Net domestic product
   c) Gross national product
   d) Disposable income
9. If PPP holds
   a) The nominal exchange rate will not change
   b) The real exchange rate will not change
   c) Both real and nominal exchange rates will not change
   d) Both real and nominal exchange will move together
10. HDR 2015 report rank in China is _____.
    a) 8
    b) 90
    c) 130
    d) 132
11. The creator of HDI is _____.
    a) Alfred Marshall
    b) Amartiya sen
    c) Harrod Dommar
    d) Dr. Smith
12. How many countries are there in low human development group ?
    a) 20
    b) 38
    c) 44
    d) 50
13. When net factor income from abroad is positive, then,
    a) GNP = GDP
    b) GNP > GDP
    c) GNP < GDP
    d) GNP ≥ GDP
14. If suppose consumer price index (CPI) on March 2017 was 500 and it rose to 550 on 31st March 2018, the rate of inflation will be
    a) 20%
    b) 25%
    c) 10%
    d) 50%

15. The point where ADF and ASF intersects is called _____.
    a) Total demand   b) Effective demand   c) Additional demand   d) Market demand
16. Which of the following is not part of the aggregate demand ?
    a) Consumption demand   b) Investment demand   c) Government demand   d) Imports
17. ADF curve is
    a) upward sloping   b) downward sloping   c) vertical   d) horizontal
18. The long run Phillips curve is
    a) Horizontal   b) Backward bending   c) Vertical   d) Downward sloping
19. _____ curve describes the relationship between inflation and unemployment.
    a) Aggregate demand   b) Aggregate supply   c) Phillips   d) Inflation
20. According to monetarists the long run Phillips curve is
    a) Horizontal   b) Upward sloping   c) Downward sloping   d) Vertical
21. The aggregate demand curve starts from _____.
    a) Origin   b) X-axis   c) Y-axis   d)middle
22. After reaching full employment Aggregate supply curve becomes
    a) Horizontal   b) Backward bending   c) Upward bending   d) Vertical
23. Keynes in his General theory gave importance to _____ period.
    a) Short run   b) Long run   c) Secular   d) Effective
24. Keynesian theory states that equilibrium level of employment is _____ full employment.
    a) Equal to   b) More than   c) Less than   d) Constant
25. According to monetarists the short run Phillips curve is
    a) Horizontal   b) Vertical   c) Downward sloping   d) Upward sloping
26. The Phillips curve describes the relationship between
    a) Savings and investment   b) Inflation and unemployment
    c) Income and employment   d) Inflation and income
27. Slope of the ASF curve is
    a) Positive   b) Negative   c) Constant   d) Steeper
28. NAIRU stands for
    a) Non accelerating inflation rate of unemployment
    b) Non accelerating interest rate of unemployment
    c) Non accelerating income rate of unemployment
    d) Non accelerating internet rate of unemployment
29. Which of the following curve shows goods market equilibrium
    a) IS curve   b) LM curve   c) ADF curve   d) ASF curve
30. The curve shows relationship between income and interest is _____.
    a) Aggregate demand curve   b) Aggregate supply curve   c) Phillips curve   d) LMcurve

31. Which of the following curve shows goods market equilibrium
    a) IS curve   b) LM curve   c) ADF curve   d) ASF curve
32. Slope of the IS curve is _____.
    a) Positive   b) Negative   c) Constant   d) Steeper
33. If the expansionary fiscal policy is equal to expansionary monetary policy, the rate of interest will
    a) Remains the same   b) Rise   c) Fall   d) zero

34. Which of the following will shift the LM curve to the right
    a) Decrease in money supply
    b) Increase in money supply
    c) Increase in the demand for money
    d) Decrease in the demand for money

35. Which of the following curve shows money market equilibrium
    a) IS curve
    b) LM curve
    c) ADF curve
    d) ASF curve

36. If the interest elasticity of demand for money is zero, the LM curve will be
    a) Steeper
    b) Flatter
    c) Horizontal
    d) Vertical

37. On which side of the following curve there is excess supply in the goods market ?
    a) Right side of IS curve
    b) Left side of IS Curve
    c) Right side of LM curve
    d) Left Side of LM curve

38. At the point where IS curve and LM curve intersect _____ markets are in equilibrium.
    a) Goods market and Capital market
    b) Money market and Goods market
    c) Money market and Foreign exchange market
    d) Capital market and Foreign exchange market

39. _____ have shown the integration of real and money markets with the IS and LM curves.
    a) Fisher and Adam Smith
    b) Hicks and Hansen
    c) Ricardo and A. C. Pigou
    d) Friedman and Keynes

40. Intersection between IS and LM curves indicates
    a) Goods market is in equilibrium
    b) Money market is in equilibrium
    c) Both money and goods markets are in equilibrium
    d) Foreign exchange market is in equilibrium

41. Balance of trade considers only _____.
    a) visible export
    b) visible import
    c) invisible items
    d) both a & b

42. Balance of payment is said to be in surplus when Receipts are _____ payment.
    a) less than
    b) less than or equal to
    c) more than
    d) equal to

43. In order to control BOP, the following expenditure reducing policy is adopted
    a) Changing Monetary Policy & Fiscal Policy
    b) Depreciation
    c) Devaluation
    d) Expansionary Fiscal Policy

44. Revaluation makes value of currency _____.
    a) Expensive
    b) Cheap
    c) Unchanged
    d) Horizontal

45. _____ disequilibrium refers to a persistent deficit on a surplus in the balance of payments of a country.
    a) Short-term
    b) Structural
    c) Long-term
    d) Limited

46. _____ means reducing the value of domestic currency in terms of foreign country.
    a) Depreciation
    b) Devaluation
    c) Deflation
    d) Inflation

47. _____ means decline in the rate of exchange of domestic currency in terms of foreign currency.
    a) Deflation
    b) Exchange depreciation
    c) Devaluation
    d) Depreciation

48. Pick out the item which is not a part of unilateral transfers
    a) Gifts
    b) Grants
    c) Loan
    d) Donation

49. The success of devaluation depends on :
    a) Nature of imports and exports
    b) Elasticity of demand for import and export
    c) International co operation
    d) Changes in currency rate

50. In BOP, total receipts must be equal to total _____.
    a) Payment
    b) Income
    c) Deficit
    d) Price