

**B. P. COLLEGE OF BUSINESS ADMINISTRATION**

(Constituent College of Kadi Sarva Vishwavidyalaya)

BBA SEM – II**MCQ TEST February 2014****SUB: (BBA08 Basic Economics-II)****Date: 15/02/2014****Day: Saturday****Total marks: 60****Duration: 40 minutes****Instructions:**

All questions are compulsory.

All questions carry 1 mark each.

Indicate clearly, the answer in the box provided below.

Q1. The circular flow of income is also known as:

- a. wheel of Income b. wheel of wealth c. wheel of economy d. wheel of society

Q2. In a two-sector economy, the two sectors are:

- a. household and government b. household and trade
c. household and business d. government and international Trade

Q3. In a two sector economy, income flows from households to business against:

- a. goods and services b. factor services c. exports d. imports

Q4. Which is the third sector in a three-sector economy?

- a. household b. business c. government d. international trade

Q5. National income includes:

- a. value of final goods and services b. value of intermediate goods
c. value of stocks d. none of the above

Q6. Which is the following is not included in the domestic income of a country?

- a. agricultural income b. income of industry c. NFIA d. None

Q7. What is deducted from GDP to obtain NDP?

- a. corporate tax b. subsidy c. depreciation d. market value

Q8. GDP is always less than GNP.**True / False****Q9. Which of the following is not a national income concept?**

- a. GDP b. GNP c. NNP d. population

Q10. Which of the following is not an example of transfer payments?

- a. scholarship b. old age pension c. salary d. award money

Q11. $R + w + I + p =$ _____

- a. GDP at fc b. GNP at fc c. GDP at mp d. GNP at mp

Q12. Which of the following is the representative of national income in India?

- a. GDP at fc b. GNP at fc c. NDP at fc d. NNP at fc

Q13. Which of the following is not a component of private income?

- a. NFIA b. current transfers from govt. c. net transfers from abroad d. tax

Q14. PDI = _____ minus direct deductions.

- a. household income b. business income c. personal income d. govt. income

