

QB365 Question Bank Software Study Materials

National Income 50 Important 1 Marks Questions With Answers (Book Back and Creative)

12th Standard

Economics

Total Marks : 50

Multiple Choice Question

50 x 1 = 50

- 1) Net National product at factor cost is also known as
(a) National Income (b) Domestic Income (c) Per capita Income (d) Salary
- 2) Primary sector is _____
(a) Industry (b) Trade **(c) Agriculture** (d) Construction.
- 3) National income is measured by using _____ methods.
(a) Two **(b) Three** (c) Five (d) Four
- 4) Income method is measured by summing up of all forms of _____
(a) Production (b) Taxes (c) expenditure **(d) Income**
- 5) Which is the largest figure?
(a) Disposable income (b) Personal Income (c) NNP **(d) GNP**
- 6) Expenditure method is used to estimate national income in _____
(a) Construction sector (b) Agricultural Sector (c) Service sector (d) Banking sector
- 7) Tertiary sector is also called as _____ sector
(a) Service (b) Income (c) Industrial (d) Consumption
- 8) National income is a measure of the _____ performance of an economy
(a) Industrial (b) Agricultural **(c) Economic** (d) Consumption
- 9) Per capita income is obtained by dividing the National income by _____
(a) Production **(b) Population of a country** (c) Expenditure (d) GNP
- 10) $GNP = \text{_____} + \text{Net factor income from abroad}$
(a) NNP (b) NDP **(c) GDP** (d) Personal income
- 11) NNP stands for _____
(a) Net National Product (b) National Net product (c) National Net Provident (d) National Net Provident
- 12) _____ is deducted from gross value to get the net value
(a) Income **(b) Depreciation** (c) Expenditure (d) Value of final goods
- 13) The financial year in India is _____
(a) April 1 to March 31 (b) March 1 to April 30 (c) March 1 to March 16 (d) January 1 to December 31
- 14) When net factor income from abroad is deducted from NNP, the net value is _____
(a) Gross National Product (b) Disposable Income **(c) Net Domestic Product** (d) Personal Income
- 15) The value of NNP at production point is called _____.

- (a) **NNP at factor cost** (b) NNP at market cost (c) GNP at factor cost (d) Per capita income
- 16) The average income of the country is_____
- (a) Personal Income (b) **Per capita income** (c) Inflation Rate (d) Disposal Income
- 17) The value of national income adjusted for inflation is called_____
- (a) Inflation Rate (b) Disposal Income (c) GNP (d) **Real national income**
- 18) Which is a flow concept ?
- (a) Number of shirts (b) Total wealth (c) **Monthly income** (d) Money supply
- 19) PQLI is the indicator of_____.
- (a) Economic growth (b) **Economic welfare** (c) Economic welfare (d) Economic development
- 20) The largest proportion of national income comes from_____
- (a) **Private sector** (b) Local sector (c) Public sector (d) None of the above
- 21) GNP stands for
- (a) Net National Product (b) Gross Net Product (c) Gross Net Provident (d) **Gross National Product**
- 22) GDP stands for
- (a) **Gross Domestic Product** (b) Gross Direct Product (c) Gross Domestic Provident (d) Gross Derived Product
- 23) A country which has no economic relations with other countries is termed as
- (a) Open economy (b) **Closed economy** (c) Planned economy (d) Command economy
- 24) GNP includes _____ types of final goods and services.
- (a) Two (b) Four (c) **Five** (d) Three
- 25) _____ Income is the buying power of nominal income.
- (a) Gross Income (b) **Real Income** (c) Per capita Income (d) National Income
- 26) National Income expressed in terms of money at _____ prices.
- (a) Constant Price (b) Market Price (c) **Current Price** (d) All the above
- 27) Output = Income = _____
- (a) Price (b) **Expenditure** (c) Income (d) None of these
- 28) Under social accounting method the economy is divided into _____ sectors.
- (a) four (b) two (c) **several** (d) three
- 29) GDP= _____.
- (a) GNP + Depreciation (b) **GNP - Net income earned from abroad** (c) GNP - Depreciation (d) NNP - Depreciation
- 30) In _____ method, the measures of GDP are calculated by adding all the expenditures made in the economy.
- (a) Income (b) **Expenditure** (c) Product (d) All the above
- 31) Secondary sector is _____
- (a) **Industry** (b) Trade (c) Agriculture (d) Manufacture
- 32) Who was the Nobel laureate first introduced the concept of national income?
- (a) Quasney (b) Keynes (c) **Simon Kuznets** (d) Adam Smith

- 33) $(X - M)$ is net export which can be _____?
(a) positive or negative (b) positive (c) negative (d) none of the above
- 34) Find the missing term in the following equation.
 $NNP \text{ at factor cost} = NNP \text{ at Market prices} - \text{_____} + \text{Subsidies}$
 (a) Direct taxes (b) Income of residents (c) Income of residents abroad **(d) Indirect taxes**
- 35) Disposable Income is also known as _____?
 (a) Disposable private income **(b) Disposable personal income** (c) Deductible personal income (d) None of the above
- 36) Which of the following amount is available for households for their consumption?
(a) Disposable Income (b) Personal Income (c) Per capita Income (d) None of above
- 37) Find the odd one out
 (a) Production or value added method **(b) Deductive method** (c) Income method or factor earning method
 (d) Expenditure method
- 38) Which one of the following is not a macro economic variables
(a) Input - Output ratio (b) Tax - GDP ratio (c) Current Account Deficit - GDP ratio (d) Fiscal Deficit - GDP ratio
- 39) What is the formula for value of output?
(a) Price x Quantity Sold (b) Profit x Quantity Sold (c) Revenue x Quantity Sold (d) Cost x Quantity Sold
- 40) The market value of all final goods and services produced within domestic territory of the country during a year is known as _____
(a) GDP_{MP} (b) GDP_{FC} (c) GNP_{MP} (d) GNP_{FC}
- 41) Real and nominal income is calculated respectively at _____
(a) Current price and Constant Price (b) Constant price and Current price (c) Current price and Current price
 (d) Constant price and Constant price
- 42) GDP Deflator is equal to _____
(a) $\frac{(NominalGDP)}{(NominalGDP)} \times 100$ (b) $\frac{(RealGDP)}{(NominalGDP)} \times 100$ (c) $\frac{(NominalGNP)}{(RealGNP)} \times 100$
 (d) $\frac{(NominalNDP)}{(RealNDP)} \times 100$
- 43) Match the correct codes
- | | | | |
|----|--------------------|-----|---|
| 1 | Simon Kuznets | i | Creator of GDP |
| 2. | Disposal income | ii | consumption + saving |
| 3. | NNP at factor cost | iii | NNP at Market prices - Indirect taxes + Subsidies |
| 4. | Y | iv | $w + r + i + \pi + (R-P)$ |
- (a) (1) - (i) (2) - (ii) (3) - (iv) (4) - (iii) (b) (1) - (ii) (2) - (iii) (3) - (iv) (4) - (i) (c) (1) - (iv) (2) - (iii) (3) - (i) (4) - (ii)
(d) (1) - (i) (2) - (ii) (3) - (iv) (4) - (iii)
- 44) Who is the creator of GDP?
(a) Simon Kuznets (b) Samuelson (c) Edey & Peacock (d) Keynes
- 45) $GNP - \text{depreciation} = ?$
 (a) NNP_{FC} **(b) NNP_{MP}** (c) GNP_{MP} (d) Personal income

- 46) _____ is also known as disposable personal income.
(a) Disposable income (b) Personal income (c) Per capita income (d) National income
- 47) How is product method also called?
(a) Value added method (b) Inventory method **(c) Both (a) & (b)** (d) Outlay method
- 48) Which method is followed in under developed countries?
(a) Product (b) Income (c) Expenditure (d) All
- 49) Which method is used in India in agriculture, mining, manufacturing?
(a) Product (b) Income (c) Expenditure (d) All
- 50) What is used to make international comparison, inter-regional comparison?
(a) GDP **(b) NI** (c) Per capita income (d) Disposable income