Question # 1 of 10 (Start time: 08:26:13 PM, 25 July 2023) **Total Marks: 1**

__________ is the narrowest and most traditional definition of money.

Select the correct option

- ( ) M4
- (•) M1
- ( ) M3
- ( ) M2

Click to Save Answer & Move to Next Question

Question # 8 of 10 (Start time: 08:33:05 PM, 25 July 2023) **Total Marks: 1**

If fiscal deficit is financed through borrowing from the central bank, then the money supply will:

Select the correct option

- ( ) Remain unchanged.
- (•) Increase.
- ( ) Decrease for short time then start increasing.
- ( ) Decrease.

Click to Save Answer & Move to Next Question

Question # 2 of 10 (Start time: 08:27:11 PM, 25 July 2023) **Total Marks: 1**

What happens to money multiplier if the central bank increases the discount rate?

Select the correct option

- ○ We can't tell on the basis of given information
- ○ It remains unchanged
- ○ It decreases
- ● It increases

Click to Save Answer & Move to Next Question

Question # 9 of 10 (Start time: 08:34:11 PM, 25 July 2023) **Total Marks: 1**

What happens to commercial banks reserve ratio if the central bank increases the discount rate?

Select the correct option

- ( ) We can't tell on the basis of given information
- ( ) It remains unchanged
- (•) It Decreases
- ( ) It Increases

Click to Save Answer & Move to Next Question

ECO401 - Economics (Quiz# 3)

Quiz Start Time: 08:26 PM, 25 July 2023

Question # 3 of 10 (Start time: 08:28:15 PM, 25 July 2023)

Total Marks: 1

A tax on the accounting profits of corporations is known as:

Select the correct option

○	Personal income tax.
●	Corporate income tax.
○	Sales tax.
○	Excise tax.

Click to Save Answer & Move to Next Question

Question # 5 of 10 (Start time: 08:29:59 PM, 25 July 2023) **Total Marks: 1**

How should monetary policy be used during recessions?

Select the correct option

○	Decrease money supply to increase interest rate and increase aggregate demand.
●	Increase money supply to decrease interest rate and increase aggregate demand.
○	Increase money supply to increase interest rate and increase aggregate demand.
○	Decrease money supply to decrease interest rate and increase aggregate demand.

Click to Save Answer & Move to Next Question

Question # 6 of 10 (Start time: 08:31:27 PM, 25 July 2023) **Total Marks: 1**

M0 component of money supply equals Rs.800, 000. If total checking deposits and time deposits are Rs.400, 000 and Rs.500, 000 respectively, the value of M2 component of money supply is:

Select the correct option

○	Rs.12, 00, 000.
◉	Rs.17, 00, 000.
○	Rs. 9, 00, 000.
○	Rs.13, 00, 000.

Click to Save Answer & Move to Next Question

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ECO401 - Economics (Quiz# 3)

Quiz Start Time: 08:26 PM, 25 July 2023

Question # 7 of 10 (Start time: 08:32:15 PM, 25 July 2023)

Total Marks: 1

Which is a more expansionary way for government to finance a budget deficit?

Select the correct option

○	Borrowing money in the money market
●	Creating new money
○	Decreasing government spending
○	Increasing taxes

Click to Save Answer & Move to Next Question

Question # 4 of 10 (Start time: 08:29:07 PM, 25 July 2023) **Total Marks: 1**

Suppose currency notes which are in circulation in the economy equal to worth of Rs. 800,000. If total checking deposits and time deposits are Rs.400, 000 and Rs.500, 000 respectively, then the base money equals:

Select the correct option

- ○ Rs.8, 00, 000.
- ○ Rs.9, 00, 000.
- ● Rs.12, 00, 000.
- ○ Rs.13, 00, 000.

Click to Save Answer & Move to Next Question

Question # 10 of 10 (Start time: 08:35:24 PM, 25 July 2023) Total Marks: 1

Ml money supply consists of:

Select the correct option

- ○ Paper currency, coins, check- writing deposits and savings deposits.
- ○ Paper currency and coins.
- ◉ Paper currency, coins and check- writing deposits.
- ○ Paper currency, coins, check- writing deposits, savings deposits and certificates of deposits.

Click to Save Answer & Move to Next Question