

Principles of Economics Icom Part 1 English Medium Chapter 10 Online Test

Sr	Questions	Answers Choice
1	Marginal productivity theory was presented by:	A. Pigou and Cannon B. Adam Smith and F.A. Walker C. Keynes and Semeulson D. Marshall and J.B. Clark
2	There exists a relationship between inflation and deflation	A. Increasing B. Inverse C. Indirect D. None of three
3	Notes and coins are legal tender money because	A. Government keeps gold and silver in their exchange B. They are issued by the commercial banks C. They are issued by the central bank D. People are bound to accept them
4	Inflation will be useful for	A. Labourers B. Consumers C. Penioners D. Industrialist
5	What effects are expected on the purchasing power of money during deflation	A. Decreases B. Increases C. Remains constant D. 2nd and 3rd
6	Inflation is useful for	A. Labourer B. Consumers C. Industrialist D. Pensioners
7	If we multiply margina product with price we get:	A. MFC B. MRP C. TVC D. Both a and b
8	The money which is not in the form of net cash and is not used at once for business dealing is called	A. Near money B. Legal Tender money C. Credit money D. Paper money
9	Functions of money are	A. Medium of exchange B. Common measure of value C. Store of value D. All the three
10	Cheque, bill of exchange etc are	A. Metallic money B. Paper money C. Credit money D. Near money
11	The paper notes which can not be converted in gold, silver, or foreign exchange, are called	A. Standard money B. Convertible paper money C. Inconvertible paper money D. Legal tender money
12	During inflation increase	A. Exports B. Savings C. Consumption D. Inequality of income
13	Which kind of budget is better during the situation of inflation	A. Deficit budget B. Surplus budget C. Balanced budget D. Domestic budget
14	It was impossible under barter system	A. Lack of coincidence of wants B. Lack of common measure of value C. Divisibility of some goods in small parts D. Solution of all the said problems

15	Which one of the following was the difficulty of barter system	A. Abundance of goods B. Lack of double coincidence of wants C. Difference of language D. difference of occupations
16	The coins whose current price is greater than their intrinsic value, are called	A. Standard coins B. Paper money C. Token money D. Credit money
17	Exchange of goods with goods is called	A. Medium of exchange B. Store of exchange C. Scale of measure of exchange D. Barter system
18	When there is deflation, then prices	A. Increase B. Decrease C. Remain constant D. do not change
19	Unit of account money in Pakistan is	A. Rial B. Rupee C. Dollar D. Pound
20	If face value is equal to the metal value of a coin, it is called as	A. Paper money B. Token money C. Credit money D. Standard money