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Principles of Economics Icom Part 1 English Medium Chapter 12 Online Test

Sr	Questions	Answers Choice
1	In case of international trade, trade restrictions are usually	A. Limited B. More C. Too much D. None of three
2	One of the following is not included in the causes of deficit in balance of payments of a country	A. Increase in exports B. Increase in imports C. Unfavourable terms of trade D. Occurance of inflation
3	According to comparative cost theory conditions ------------- in goods and labour market exist	A. of monopoly B. of duopoly C. Monopolistic competition D. of perfect competition
4	Inflation can be controlled by:	A. Fiscal policy B. Monetary policy C. Trade policy D. Both a and b
5	When general price level increases due to increase in cost of production, it is known as ?	A. Stagflation B. Hyper inflation C. Demand pull inflation D. Cost push inflation
6	Balance of payments is annual statistical record of	A. Visible goods B. Invisible goods C. Foreign loans D. Visible and invisible goods
7	Balance of payment of a country in unfavourable when its	A. Receipts are more than payments B. Receipts are less than payments C. Receipts are equal to payments D. None of three
8	"Money is what money does" is the statements of:	A. Robbins B. Marshall C. Hicks D. Keynes
9	International Monetary fund is	A. Local B. Regional C. National D. International
10	The most appropriate definition of money was given by:	A. F.A.Walker B. Keynes C. Pigou D. Crowther
11	Quantity theory of money was criticized by:	A. Marshall B. Sameulson C. Keynes D. Both b and c
12	Which one of the following is included in balance of trade	A. Visible goods B. Invisible goods C. Visible & invisible goods D. All the three
13	In order to improve the balance of payment the foremost try is to increase	A. Imports B. Exports C. Production D. Savings
14	In comparative cost or comparative advantage theory, ratio is	A. 1x1 one good one country B. 2x2 two goods two countries C. 1x2 one good two countries D. 2x1 two goods one country
15	Balance of visible goods of a country mean	A. Quantity of imports & exports B. Value of imports & exports C. Value of imported & exported goods and services

		D. Value of imported & exported services
16	The relation between quantity of money and value of money is:	A. Positive B. Negative C. Direct D. Inverse
17	One of the following is not advantage of international trade	A. Provision of necessities of life B. Imperfections of market C. Provision of medicines & machinery D. Provision of necessities of defence
18	In balance of payment are included	A. Visible items B. Invisible items C. Visible and invisible items D. Material items
19	The base of international trade theory of Devid Ricardo is	A. Absolute advantage B. Comparative cost C. Cheaper cost D. Low cost
20	The trade that takes place between the inhabitants of two countries is called	A. Domestic trade B. International trade C. National trade D. Regional Trade