

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

Sr	Questions	Answers Choice
1	Balance of payment of a country is 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
2	When general price level increases due to increase in aggregate demand, it is known as?	A. Stagflation B. Hyper inflation C. Demand pull inflation D. Cost push inflation
3	If the face value of a coin is equal to the value of metal used in:	A. Legal money B. Token money C. Standard money D. Both b and c
4	One of the following is invisible item of balance of payment	A. Import of motor cars B. Exports of cotton C. Expenditure of passengers traveling by air D. Private investment in foreign country
5	Which economist has stated the definition of balance of payments	A. Robbins B. Kindleberger C. Marshall D. Keynes
6	The trade that takes place between the individuals living in different areas of a country is called	A. Domestic trade B. International trade C. Foreign trade D. Regional Trade
7	If currency can be converted into gold, it is called:	A. Convertible paper money B. Inconvertible paper money C. Bank Money D. Both a and b
8	Inflation can be controlled by:	A. Fiscal policy B. Monetary policy C. Trade policy D. Both a and b
9	Balance of payment of a country is balanced when its	A. Receipts are more than payments B. Receipts are less than payments C. Receipts are equal to payments D. None of three
10	Cheque is which kind of money:	A. Credit money B. Paper money C. Standard money D. Legal money
11	The record of visible and invisible items on international account is called	A. Balance of payment B. Balance of trade C. Balance of budget D. Capital account
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	Recent international depression was appeared in:	A. 1936 B. 1990 C. 2005 D. 2008
14	In which year international monetary fund was established	A. 1941 B. 1944 C. 1945 D. 1947
15	Which economist explained the absolute difference of cost of two goods between two countries	A. Malthus B. Adam Smith C. Ricardo

D. J.S Mill

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- 16 Balance of payment of a country is favourable when its
- A. Receipts are more than payments
  - B. Receipts are less than payments
  - C. Receipts are equal to payments
  - D. None of three
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- 17 Quantity theory of money was introduced in an equation by:
- A. Fisher
  - B. Marshall
  - C. Crowther
  - D. Tausigg
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- 18 The most appropriate definition of money was given by:
- A. F.A.Walker
  - B. Keynes
  - C. Pigou
  - D. Crowther
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- 19 Comparative cost theory is also called
- A. Theory of comparison cost
  - B. Theory of specialization of cost
  - C. Theory of balanced cost
  - D. Theory of specialization of production
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- 20 The term "inflation" means:
- A. Rapid increase in price level
  - B. Decrease in price level
  - C. General increase in price level
  - D. Both a and c
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