

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	If 50% change in demand in response of 30% change in price then:	A. Elasticity of demand = 1 B. Elasticity of demand < 1 C. Elasticity of demand > 1 D. Elasticity of demand = 0
2	The interaction of multiplier and accelerator is known as:	A. Innovation theory B. Modern theory C. Psychological theory D. Over investment theory
3	Expenditures of repair of machines are called	A. Unproductive expenditures B. Productive expenditures C. Rewards D. Depreciation allowance
4	Economics studies human behaviour from	A. Individual angle B. Collective angle C. Individual & Collective angle D. None
5	National income is total of	A. Incomes of all entrepreneurs of the country B. Incomes of all industrialists of the country C. Incomes of all salaried persons of the country D. Incomes of all the people of the country
6	Reward of Land is called.	A. Rent B. Wage C. Interest D. Profit
7	Want of a commodity is satisfied, when its marginal utility is	A. Positive B. Zero C. Negative D. Minimum
8	Kinds of supply according to period of time are	A. Two B. Three C. Four D. Five
9	If we deduct foreign income from GNP, we get:	A. N.N.P B. G.D.P C. D.P.I D. P.I
10	In a production process, when units of variable factors along with fixed factor of production are increased marginal cost goes on falling, this tendency in economics is called	A. Law of decreasing cost B. Law of increasing cost C. Law of constant cost D. Law of decreasing return
11	Founder of Classical school of thought was:	A. Adam smith B. Marshall C. Robbins D. Keynes
12	Comparative Cost theory of international trade was presented in:	A. 1890 B. 1800 C. 1817 D. 1871
13	Self owned resources are known as:	A. Implicit cost B. Explicit cost C. Opportunity cost D. Sunk cost
14	At equilibrium price, demand and supply	A. Increase B. Become equal C. Decrease D. are different

15	Change in total production is called	A. Marginal production B. Zero production C. Total production D. Average production
16	If income of the government is more than its expenditures, such budget is called	A. Surplus budget B. Deficit budget C. Balanced budget D. Capital budget
17	Supply means	A. total money of a specific producer B. Number of buyers C. quantity of goods offered for sale at different prices D. purchasing power of quantity supplied
18	A system where the goods are exchange with goods is known as:	A. Monetary system B. Barter System C. Coins system D. Goods system
19	The demand curve for monopolist is also called	A. Total revenue B. Average revenue C. Marginal revenue D. Zero revenue
20	Non elastic demand curve is	A. positive B. negative C. vertical D. horizontal