

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Under perfect competition average revenue is always - - - marginal revenue	A. Equal to B. Less than C. More than D. None of three
2	The cause of rise and fall of demand is	A. income B. price C. population D. Both 1st and 3rd
3	"The study of nature and principles of government expenditures and revenue is called public finance" This definition is stated by	A. Bastable B. Armitage Smith C. Ricardo D. Robbins
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	Shut down point appears, when	A. $AVC=AR$ B. $AVC>AR$ C. $AVC<AR$ D. $AC=AR$
6	national income is found by	A. Subtracting depreciation allowance from gross national product B. Subtracting indirect taxes from net national product C. Adding subsidies in net national product D. Subtracting indirect taxes and adding subsidies in net national product
7	Annual rate of Zakat on cash and trading goods is	A. 2.0% B. 2.5% C. 3.0% D. 3.5%
8	According to which economist, some factors are indivisible	A. Adam Smith B. Marshall C. Davenport D. Hobson
9	In macro economics, what kind of problems can be discussed	A. International trade B. Consumers behavior C. Problems of a firm D. Determination of price
10	Prof Fisher presented quantity theory of money in the form of an equation in	A. 1905 B. 1911 C. 1915 D. 1917
11	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
12	Reward of capital is called	A. Rent B. Wage C. Interest D. Profit
13	In order to satisfy some wants, more than one commodities are needed. Demand for such commodities is called	A. Joint demand B. Composite demand C. Derived demand D. Direct demand
14	If the total expenditure of the consumer does not change due to increase or decrease	A. Equal to unity B. Less than unity

	(change) in price, then nature of elasticity of demand will be	C. More than unity D. Elasticity of demand = zero
15	If demand rises more proportionately than that of supply, then	A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium price does not change D. Equilibrium quantity decreases
16	Speed of increase in total revenue remains equal with the increase in output	A. Under monopoly B. Under oligopoly C. Under perfect competition D. Under pure competition
17	According to which economist, utility is measureable	A. Marshall B. Adam smith C. Robbins D. Keynes
18	The tax which is levied on the sale of goods is called	A. Income tax B. Property tax C. Gift tax D. Sales tax
19	Tendency of average revenue curve under monopoly is always	A. Falls down B. Parallel to x-axis C. Rises up D. Parallel to y-axis
20	Transfer payments are included in	A. Gross domestic income B. National income C. Disposable personal income D. Personal income