

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

Sr	Questions	Answers Choice
1	Inconvertible paper money is issued by	A. Central bank B. Commercial bank C. Industrial bank D. Central government
2	Quantity theory of money in the form of an equation was presented by	A. Prof Fisher B. Prof Taussig C. Prof Marshall D. Prof Renald
3	Equation of relationship between quantity of money and value of money, $MV=PT$ is presented by the economist	A. Prof Taussing B. Prof Fisher C. Prof Crowther D. Prof Marshall
4	The main cause of using the Cheque as money is	A. They are proved as receipt B. Most of the people accept them C. Protection of money D. Easy in transportation
5	What is money	A. Coins of gold and silver B. Paper money C. Agricultural crops D. Everything which can be used as a medium of exchange
6	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
7	Basic characteristics of good money are	A. General acceptability, durability B. Homogeneity, divisibility C. Transferability, recognizability, convertibility D. All
8	Relationship of value of money with quantity of money is	A. Direct B. Indirect C. Inverse D. Positive
9	MRP curve of a factor represents:	A. Demand of factors B. Supply of factors C. Price of factors D. Both a and c
10	One of the following is not advantage of paper money	A. Saving of metals B. Saving of coinage C. Easy transferability D. Perfectly inelastic supply
11	Disadvantages of paper money are	A. Unstable value B. Possibility of inflation C. Possibility of wastage D. All the three
12	Marginal revenue product is the amount of money attained by selling:	A. Average product B. Marginal product C. Total product D. Total cost
13	Inflation is useful for	A. Labourer B. Consumers C. Industrialist D. Pensioners
14	"Purchasing power of money is inverse of level of prices. So study of purchasing power of money is identical with the study of level of prices." These are the words of	A. Prof Irving Fisher B. Prof Crowther C. Prof Pigou D. Prof Keynes
15	During inflation increase	A. Exports B. Savings C. Consumption

D. Inequality of income

16	One rupee note in paper money is	A. Inconvertible paper money B. Convertible paper money C. Limited legal tender money D. Unlimited legal tender money
17	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
18	Cheque, bill of exchange etc are	A. Metallic money B. Paper money C. Credit money D. Near money
19	One of the following is not the fiscal measure to control inflation	A. Decrease in public expenditures B. Increase in the value of money C. Increase in taxes D. Encouragement of saving
20	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