

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

Sr	Questions	Answers Choice
1	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
2	By which money business dealing has become easy	A. Metalic money B. Paper money C. Credit money D. Near money
3	Functions of money are	A. Medium of exchange B. Common measure of value C. Store of value D. All the three
4	When there is deflation, then prices	A. Increase B. Decrease C. Remain constant D. do not change
5	When demand for goods and services rises, then velocity of circulation of money	A. Increases B. Decreases C. Remains constant D. Does not change
6	Inconvertible paper money is issued by	A. Central bank B. Commercial bank C. Industrial bank D. Central government
7	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
8	Marginal productivity theory was presented by:	A. Pigou and Cannon B. Adam Smith and F.A. Walker C. Keynes and Semeulson D. Marshall and J.B. Clark
9	The unit of money by which the value of goods and services is expressed is called	A. Paper money B. Money of account C. Legal tender money D. Near money
10	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
11	Production of an additional unit of factor refers to:	A. AP B. TP C. MP D. MR
12	Cheque, bill of exchange etc are	A. Metallic money B. Paper money C. Credit money D. Near money
13	Prices during the situation of inflation	A. Increase B. Decrease C. Do not change D. Become zero
14	This paper notes which can be converted into gold, silver or foreign exchange are called	A. Standard money B. Unlimited legal tender money C. Convertible paper money D. Inconvertible paper money
15	Saving deposits and time deposits of the banks, Govt. securities and shares of the companies are called	A. Token money B. Money of account C. Standard money D. Near money

16	Exchange of goods with goods is called	A. Medium of exchange B. Store of exchange C. Scale of measure of exchange D. Barter system
17	"What performs the functions of money, is money" This definition of money is stated by	A. Prof Walker B. Prof Marshall C. Prof Crowther D. Prof Pigou
18	One of the following is not fiscal measure to control inflation	A. Decrease in public expenditures B. Increase in taxes C. Encouragement of savings D. Increase in investment
19	One of the following is not advantage of paper money	A. Saving of metalsB. Saving of coinageC. Easy transferabilityD. Perfectly inelastic supply
20	kinds of money are	A. Three B. Four C. Five D. Seven