

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

Sr	Questions	Answers Choice
1	During inflation prices are	A. Zero B. Low C. Increase D. Constant
2	The purchasing power of money is called	A. value of money B. Medium of exchange C. quantity of money D. credit money
3	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
4	All Pakistani coins are	A. Token money B. Standard money C. Convertible money D. Inconvertible money
5	Inflation is created	A. When demand for goods is less than their supply B. When demand for goods is more than their supply C. When demand for goods becomes equal to their supply D. When demand and supply of goods do not change
6	Which kind of budget is better during the situation of deflation	A. Deficit budget B. Surplus budget C. Balanced budget D. National budget
7	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
8	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
9	Net National product is equal to	A. GNP + Depreciation expenditure B. GDP + Depreciation expenditure C. GNP - Depreciation expenditure D. GDP - Depreciation expenditure
10	According to quantity theory of money doubling the quantity of money, prices	A. Increase B. Double C. Decrease D. One half
11	During inflation increase	A. Exports B. Savings C. Consumption D. Inequality of income
12	Relationship of value of money with quantity of money is	A. Direct B. Indirect C. Inverse D. Positive
13	According to quantity theory of money one halving the quantity of money prices	A. Increase B. Double C. Decrease D. One half
14	According to quantity theory of money, if quantity of money is doubled then prices are doubled while value of money is	A. Doubled B. One halved C. Less than one halved D. Not influenced

15	Which one of the following does not exist during deflation	A. Production decreases B. Value of money increases C. Supply of goods and services increases from their demand D. Level of employment increases
16	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
17	One of the following is not the cause of deflation	A. Decrease in demand for goods B. Decrease in consumption C. Increase in quantity of money D. Increase in supply of goods
18	Prices during the situation of inflation	A. Increase B. Decrease C. Do not change D. Become zero
19	_____ is not considered perfect money	A. Note of ten rupees B. Note of hundred rupees C. Piece of silver D. Note of one thousand rupees
20	It was impossible under barter system	A. Lack of coincidence of wants B. Lack of common measure of value C. Divisibility of some goods in small parts D. Solution of all the said problems