

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

Sr	Questions	Answers Choice
1	"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
2	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
3	Quantity theory of money was criticised by	A. Prof. Keynes B. Prof Marshall C. Prof Pigou D. i and ii both
4	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
5	By which money business dealing has become easy	A. Metalic money B. Paper money C. Credit money D. Near money
6	The money whose face value and intrinsic value are different	A. Token money B. Standard money C. Legal money D. Near money
7	There exists a relationship between inflation and deflation	A. Increasing B. Inverse C. Indirect D. None of three
8	Net National product is equal to	A. GNP + Depreciation expenditure B. GDP + Depreciation expenditure C. GNP - Depreciation expenditure D. GDP - Depreciation expenditure
9	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
10	Which kind of budget is better during the situation of deflation	A. Deficit budget B. Surplus budget C. Balanced budget D. National budget
11	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
12	Which kind of budget is better during the situation of inflation	A. Deficit budget B. Surplus budget C. Balanced budget D. Domestic budget
13	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
14	Prices during the situation of inflation	A. Increase B. Decrease C. Do not change D. Become zero
15	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
16	One of the following is not monetary measure to control inflation	A. Increase in bank rateB. Open market operationC. Increase in ratio of reserve capitalD. To create constant situation
17	During inflation prices are	A. Zero B. Low C. Increase D. Constant
18	According to quantity theory of money doubling the quantity of money, prices	A. Increase B. Double C. Decrease D. One half
19	kinds of money are	A. Three B. Four C. Five D. Seven
20	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