

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

Sr	Questions	Answers Choice
1	Relationship of level of prices and quantity of money	A. Positive B. Negative C. Indirect D. 2nd and 3rd both
2	The money whose face value and intrinsic value are equal, is called	A. Token money B. Standard money C. Paper money D. Credit money
3	The money whose face value is greater than its intrinsic value, is called	A. Standard metallic money B. Paper money C. Token money D. Near money
4	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
5	All Pakistani coins are	A. Token money B. Standard money C. Convertible money D. Inconvertible money
6	"Anything which is generally accepted as a medium of exchange and also performs the functions of standard of value and a store of value is money" This definition of money is stated by	A. Prof Walker B. Prof Marshall C. Prof Crowther D. Prof Pigou
7	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
8	Production of an additional unit of factor refers to:	A. AP B. TP C. MP D. MR
9	During inflation increase	A. Exports B. Savings C. Consumption D. Inequality of income
10	Net National product is equal to	A. GNP + Depreciation expenditure B. GDP + Depreciation expenditure C. GNP - Depreciation expenditure D. GDP - Depreciation expenditure
11	If we multiply margina product with price we get:	A. MFC B. MRP C. TVC D. Both a and b
12	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
13	Disadvantages of paper money are	A. Unstable value B. Possibility of inflation C. Possibility of wastage D. All the three
14	One of the following is not the difficulty of the barter system	A. Indivisibility of goods B. Lack of common measure of value C. Double coincidence of wants D. Lack of store of value

15	Inflation is useful for	A. Labourer B. Consumers C. Industrialist D. Pensioners
16	One of the following is not monetary measure to control inflation	A. Increase in bank rate B. Open market operation C. Increase in ratio of reserve capital D. To create constant situation
17	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
18	"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
19	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
20	Relationship of value of money with quantity of money is	A. Direct B. Indirect C. Inverse D. Positive