

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	Quantity theory of money was criticised by	A. Prof. Keynes B. Prof Marshall C. Prof Pigou D. i and ii both
3	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
4	During inflation prices are	A. Zero B. Low C. Increase D. Constant
5	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
6	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
7	By which money business dealing has become easy	A. Metalic money B. Paper money C. Credit money D. Near money
8	Which money is not legally backed	A. Metallic money B. Paper money C. Credit money D. Near money
9	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
10	One of the following is not the monetary measure to control inflation	A. Increase in bank rate B. Open market operation C. Increase in the ratio of reserve capital of the banks D. Increase in taxes
11	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
12	Exchange of goods with goods is called	A. Medium of exchange B. Store of exchange C. Scale of measure of exchange D. Barter system
13	Convertible paper money is issued by	A. Central bank B. Commercial bank C. Industrial bank D. Central government
14	During inflation increase	A. Exports B. Savings C. Consumption D. Inequality of income
15	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
16	Prices during the situation of inflation	A. Increase B. Decrease C. Do not change D. Become zero
17	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
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	Which economist said that the term demand for money should be used instead of circulation of money	A. Prof Keynes B. Prof Marshall C. Prof Crowther D. Prof Fisher
20	"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