

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

Sr	Questions	Answers Choice
1	Relationship of value of money with quantity of money is	A. Direct B. Indirect C. Inverse D. Positive
2	The purchasing power of money is called	A. value of money B. Medium of exchange C. quantity of money D. credit money
3	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
4	Which one of the following was the difficulty of barter system	A. Abundance of goods B. Lack of double coincidence of wants C. Difference of language D. difference of occupations
5	Which is considered as a transfer payment	A. wages B. salaries C. prices D. unemployment allowances
6	Barter economy means the economy in which no good is generally accepted and goods are exchanged with goods. This definition is stated by the	A. Prof Marshall B. Stanlay Fisher C. Culberon D. Walker
7	What is money	A. Coins of gold and silver B. Paper money C. Agricultural crops D. Everything which can be used as a medium of exchange
8	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
9	Which money is not legally backed	A. Metallic money B. Paper money C. Credit money D. Near money
10	Disadvantages of paper money are	A. Unstable value B. Possibility of inflation C. Possibility of wastage D. All the three
11	By which money business dealing has become easy	A. Metallic money B. Paper money C. Credit money D. Near money
12	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
13	According to quantity theory of money one halving the quantity of money prices	A. Increase B. Double C. Decrease D. One half
14	During inflation increase	A. Exports B. Savings C. Consumption D. Inequality of income
		A. Production decreases

15	Which one of the following does not exist during deflation	B. Value of money increases C. Supply of goods and services increases from their demand D. Level of employment increases
16	Inflation is useful for	A. Labourer B. Consumers C. Industrialist D. Pensioners
17	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
18	According to quantity theory of money doubling the quantity of money, prices	A. Increase B. Double C. Decrease D. One half
19	The money in which payment can be made only to certain extent is called	A. Unlimited legal tender money B. Limited legal tender money C. Metallic money D. Paper money
20	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