

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

Sr	Questions	Answers Choice
1	Inflation is useful for	A. Labourer B. Consumers C. Industrialist D. Pensioners
2	One of the following is not the cause of inflation	A. Increase in quantity of money B. Increase in demand for goods C. Increase in supply of goods D. Increase in cost of production
3	Production of an additional unit of factor refers to:	A. AP B. TP C. MP D. MR
4	"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
5	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
6	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
7	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
8	Relationship of value of money with quantity of money is	A. Direct B. Indirect C. Inverse D. Positive
9	When there is deflation, then prices	A. Increase B. Decrease C. Remain constant D. do not change
10	World economic depression accured in	A. 1927 B. 1928 C. 1929 D. 1931
11	Which kind of budget is better during the situation of inflation	A. Deficit budget B. Surplus budget C. Balanced budget D. Domestic budget
12	Kinds of credit money are	A. Verbal promise and written promise B. Govt. securities & Drafts D. Share of Companies
13	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
14	According to quantity theory of money one halving the quantity of money prices	A. Increase B. Double C. Decrease D. One half
15	"Money is a thing by which payments of agreements of borrowing and pricing are made and general purchasing power is stored in it." This definition of money is stated by the economist	A. Prof Marshall B. Prof Walker C. Prof Keynes

		D. Prof Crowther
16	"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
17	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
18	Net National product is equal to	A. GNP + Depreciation expenditure B. GDP + Depreciation expenditure C. GNP - Depreciation expenditure D. GDP - Depreciation expenditure
19	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
20	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