

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

Sr	Questions	Answers Choice
1	During inflation increase	A. Exports B. Savings C. Consumption D. Inequality of income
2	When there is deflation, then prices	A. Increase B. Decrease C. Remain constant D. do not change
3	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
4	Inconvertible paper money is issued by	A. Central bank B. Commercial bank C. Industrial bank D. Central government
5	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
6	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
7	Basic characteristics of good money are	A. General acceptability, durability B. Homogeneity, divisibility C. Transferability, recognizability, convertibility D. All
8	Marginal revenue product is the amount of money attained by selling:	A. Average product B. Marginal product C. Total product D. Total cost
9	Inflation will be useful for	A. Labourers B. Consumers C. Pensioners D. Industrialist
10	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
11	_____ is not considered perfect money	A. Note of ten rupees B. Note of hundred rupees C. Piece of silver D. Note of one thousand rupees
12	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
13	The best definition of money is stated by	A. Marhsall B. Crowther C. Keynes D. Walker
14	Prices during the situation of inflation	A. Increase B. Decrease C. Do not change D. None

		D. Become zero
15	World economic depression accured in	A. 1927 B. 1928 C. 1929 D. 1931
16	Production of an additional unit of factor refers to:	A. AP B. TP C. MP D. MR
17	According to quantity theory of money doubling the quantity of money, prices	A. Increase B. Double C. Decrease D. One half
18	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
19	By which money business dealing has become easy	A. Metallic money B. Paper money C. Credit money D. Near money
20	One of the following is not the method to control deflation	A. Decrease in public expenditures B. Decrease in interest rate C. Decrease in income tax D. increase in exports