

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

Sr	Questions	Answers Choice
1	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
2	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
3	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
4	Production of an additional unit of factor refers to:	A. AP B. TP C. MP D. MR
5	Other tern used for demand for factor is:	A. Initial demand B. derived demand C. Direct demand D. Cross demand
6	One of the following is not the characteristic of money	A. General acceptability B. Durability C. Non homogeneity D. Convertibility
7	"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
8	Inflation will be useful for	A. Labourers B. Consumers C. Penioners D. Industrialist
9	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
10	MRP curve of a factor represents:	A. Demand of factors B. Supply of factors C. Price of factors D. Both a and c
11	During inflation increase	A. Exports B. Savings C. Consumption D. Inequality of income
12	Relationship of value of money with quantity of money is	A. Direct B. Indirect C. Inverse D. Positive
13	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
14	According to quantity theory of money one halving the quantity of money prices	A. Increase B. Double C. Decrease D. One half
15	Note of 500 rupees is	A. token money B. credit money C. convertible paper money D. inconvertible paper money

16	When demand for goods and services rises, then velocity of circulation of money	A. Increases B. Decreases C. Remains constant D. Does not change
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	Basic characteristics of good money are	A. General acceptability, durability B. Homogeneity, divisibility C. Transferability, recognizability, convertibility D. All
19	Which money is not legally backed	A. Metallic money B. Paper money C. Credit money D. Near money
20	Inconvertible paper money is issued by	A. Central bank B. Commercial bank C. Industrial bank D. Central government