

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

Sr	Questions	Answers Choice
1	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
2	Note of 500 rupees is	A. token money B. credit money C. convertible paper money D. inconvertible paper money
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	The money whose face value and intrinsic value are different	A. Token money B. Standard money C. Legal money D. Near money
5	There exists a relationship between inflation and deflation	A. Increasing B. Inverse C. Indirect D. None of three
6	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
7	MRP curve is slopping:	A. Negative B. Positive C. Downward D. Both a and c
8	"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
9	Marginal productivity theory was presented by:	A. Pigou and Cannon B. Adam Smith and F.A. Walker C. Keynes and Semeulson D. Marshall and J.B. Clark
10	All Pakistani coins are	A. Token money B. Standard money C. Convertible money D. Inconvertible money
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	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
13	One of the following is not the fiscal measure to control inflation	A. Decrease in public expenditures B. Increase in the value of money C. Increase in taxes D. Encouragement of saving
14	Which kind of budget is better during the situation of deflation	A. Deficit budget B. Surplus budget C. Balanced budget D. National budget
15	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

16	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
17	Inflation is useful for	A. Labourer B. Consumers C. Industrialist D. Pensioners
18	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
19	Unit of account money in Pakistan is	A. Rial B. Rupee C. Dollar D. Pound
20	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