

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

Sr	Questions	Answers Choice
1	Exchange of goods with goods is called	A. Medium of exchange B. Store of exchange C. Scale of measure of exchange D. Barter system
2	World economic depression accured in	A. 1927 B. 1928 C. 1929 D. 1931
3	Note of 500 rupees is	A. token money B. credit money C. convertible paper money D. inconvertible paper money
4	By which money business dealing has become easy	A. Metallic money B. Paper money C. Credit money D. Near money
5	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
6	Which kind of budget is better during the situation of inflation	A. Deficit budget B. Surplus budget C. Balanced budget D. Domestic budget
7	If face value is equal to the metal value of a coin, it is called as	A. Paper money B. Token money C. Credit money D. Standard money
8	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
9	According to quantity theory of money doubling the quantity of money, prices	A. Increase B. Double C. Decrease D. One half
10	Kinds of credit money are	A. Verbal promise and written promise B. Govt. securities & debentures C. Cheque & Drafts D. Share of Companies
11	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
12	The money whose face value and intrinsic value are different	A. Token money B. Standard money C. Legal money D. Near money
13	MRP curve of a factor represents:	A. Demand of factors B. Supply of factors C. Price of factors D. Both a and c
14	Which is considered as a transfer payment	A. wages B. salaries C. prices D. unemployment allowances
15	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

16	The coins whose current price is greater than their intrinsic value, are called	A. Standard coins B. Paper money C. Token money D. Credit money
17	The money whose face value and intrinsic value are equal, is called	A. Token money B. Standard money C. Paper money D. Credit money
18	Notes and coins are legal tender money because	A. Government keeps gold and silver in their exchange B. They are issued by the commercial banks C. They are issued by the central bank D. People are bound to accept them
19	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
20	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
