

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

Sr	Questions	Answers Choice
1	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
2	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
3	Which kind of budget is better during the situation of deflation	A. Deficit budgetB. Surplus budgetC. Balanced budgetD. National budget
4	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
5	All Pakistani coins are	A. Token money B. Standard money C. Convertible money D. Inconvertible money
6	Production of an additional unit of factor refers to:	A. AP B. TP C. MP D. MR
7	Relationship of value of money with quantity of money is	A. Direct B. Indirect C. Inverse D. Positive
8	MRP curve is slopping:	A. Negative B. Positive C. Downward D. Both a and c
9	MRP curve of a factor represents:	A. Demand of factors B. Supply of factors C. Price of factors D. Both a and c
10	The money whose face value and intrinsic value are equal, is called	A. Token money B. Standard money C. Paper money D. Credit money
11	Relationship of level of prices and quantity of money	A. Positive B. Negative C. Indirect D. 2nd and 3rd both
12	There exists a relationship between inflation and deflation	A. Increasing B. Inverse C. Indirect D. None of three
13	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
14	Which money is not legally backed	A. Metallic money B. Paper money C. Credit money D. Near money
15	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
16	"Anything which is generally accepted as a medium of exchange and also performs the functions of standard of value and a store of value is money" This definition of money is stated by	A. Prof Walker B. Prof Marshall C. Prof Crowther D. Prof Pigou
17	"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
18	One of the following is not monetary measure to control inflation	A. Increase in bank rate B. Open market operation C. Increase in ratio of reserve capital D. To create constant situation
19	Value of money means purchasing power of money. If quantity of money is doubled then	A. Purchasing power of money will be one halved B. Purchasing power of money will be doubled C. Purchasing power of money will be tripled D. There will be no effect on the purchasing power of money
20	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