

Principles of Economics Icom Part 1 English Medium Chapter 12 Online Test

Sr	Questions	Answers Choice
1	If the face value of a coin is equal to the value of metal used in:	A. Legal money B. Token money C. Standard money D. Both b and c
2	One of the following is not advantage of international trade	A. Provision of necessities of life B. Imperfections of market C. Provision of medicines & machinery D. Provision of necessities of defence
3	When general price level increases due to increase in cost of production, it is known as ?	A. Stagflation B. Hyper inflation C. Demand pull inflation D. Cost push inflation
4	Factors of production are more mobile	A. In international trade B. In the country C. In both D. In none
5	According to classical theory of international trade, a country imports those goods from the other country which	A. Are durable B. Are standardised C. Are produced comparatively at high cost D. Are not produced in that country
6	If the face value of a coin is greater than the value of metal used in:	A. Legal money B. Token money C. Standard money D. Both b and c
7	In case of international trade, trade restrictions are usually	A. Limited B. More C. Too much D. None of three
8	The trade that takes place between the inhabitants of two countries is called	A. Domestic trade B. International trade C. National trade D. Regional Trade
9	Quantity theory of money was criticized by:	A. Marshall B. Sameulson C. Keynes D. Both b and c
10	Because of devaluation of currency of a country, its exports	A. Decrease B. Increase C. Remains constant D. Go on changing
11	The trade transaction between the individuals of different areas of a country is called	A. Local trade B. Regional trade C. Domestic trade D. International trade
12	The relation between quantity of money and value of money is:	A. Positive B. Negative C. Direct D. Inverse
13	The base of international trade theory of Devid Ricardo is	A. Absolute advantage B. Comparative cost C. Cheaper cost D. Low cost
14	International trade is based on the following except	A. Different factors of production are required for the production of different goods B. Factors of production exist in different ratios in different countries C. Factors of production are in D. Factors of production are in

		<p>abundant quantity in different countries</p> <p>D. Factors of production are in limited quantity in different countries</p>
15	One of the following is not disadvantage of international trade	<p>A. Dependence on production of limited goods</p> <p>B. Supply of goods injurious to health</p> <p>C. Bitter pill for political freedom</p> <p>D. Development of civilization & culture</p>
16	One of the following is not included in the causes of deficit in balance of payments of a country	<p>A. Increase in exports</p> <p>B. Increase in imports</p> <p>C. Unfavourable terms of trade</p> <p>D. Occurance of inflation</p>
17	Advantages of international trade are	<p>A. One</p> <p>B. Two</p> <p>C. Three</p> <p>D. Many</p>
18	Balance of payments is annual statistical record of	<p>A. Visible goods</p> <p>B. Invisible goods</p> <p>C. Foreign loans</p> <p>D. Visible and invisible goods</p>
19	When there is inflation attached with high unemployment level, it is called ?	<p>A. Stagflation</p> <p>B. Hyper inflation</p> <p>C. Demand pull inflation</p> <p>D. Cost push inflation</p>
20	The systematic record of the money value of visible exports and visible imports of one year of country is called	<p>A. Balance of trade</p> <p>B. Balance of payment</p> <p>C. International balance</p> <p>D. External balance</p>