

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

Sr	Questions	Answers Choice
1	Balance of payment of a country in unfavourable when its	A. Receipts are more than payments B. Receipts are less than payments C. Receipts are equal to payments D. None of three
2	When there is inflation attached with high unemployment level, it is called ?	A. Stagflation B. Hyper inflation C. Demand pull inflation D. Cost push inflation
3	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
4	The term "inflation" means:	A. Rapid increase in price level B. Decrease in price level C. General increase in price level D. Both a and c
5	Quantity theory of money was criticized by:	A. Marshall B. Sameulson C. Keynes D. Both b and c
6	In case of international trade, trade restrictions are usually	A. Limited B. More C. Too much D. None of three
7	The exchange of goods and services from country to country is called	A. Foreign B. National trade C. Corporate trade D. Domestic trade
8	The record of visible and invisible items on international account is called	A. Balance of payment B. Balance of trade C. Balance of budget D. Capital account
9	One of the following is not disadvantage of international trade	A. Dependence on production of limited goods B. Supply of goods injurious to health C. Bitter pill for political freedom D. Development of civilization & culture
10	If currency can converted into gold, it is called:	A. Convertible paper money B. Inconvertible paper money C. Bank Money D. Both a and b
11	In between how many countries international trade takes place under comparative cost theory	A. Two B. Three C. Four D. Many
12	International Monetary fund is	A. Local B. Regional C. National D. International
13	Because of devaluation of currency of a country, its exports	A. Decrease B. Increase C. Remains constant D. Go on changing
14	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
15	A system where the goods are exchanged with money is known as:	A. Monetary system B. Barter system

15	A system where the goods are exchanged with money is known as:	C. Coins system D. Modified system
16	The base of international trade theory of Adam Smith is	A. Absolute advantage B. Comparative cost C. Cheaper cost D. Low cost
17	In balance of payment are included	A. Visible items B. Invisible items C. Visible and invisible items D. Material items
18	The first great depression was appeared in:	A. 1934 B. 1930 C. 1932 D. 1936
19	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 abundant quantity in different countries D. Factors of production are in limited quantity in different countries
20	In order to improve the balance of payment the foremost try is to increase	A. Imports B. Exports C. Production D. Savings