

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

Sr	Questions	Answers Choice
1	The relation between quantity of money and value of money is:	A. Positive B. Negative C. Direct D. Inverse
2	One of the following is not included in the causes of deficit in balance of payments of a country	A. Increase in exports B. Increase in imports C. Unfavourable terms of trade D. Occurrence of inflation
3	In order to improve the balance of payment the foremost try is to increase	A. Imports B. Exports C. Production D. Savings
4	" International balance of payment is all that transaction for which either foreign exchange is spent or received." This definition is stated by	A. Prof. Marshal B. Prof. Samuelson C. Prof. Ricardo D. Prof. Hicks
5	The trade that takes place between the individuals living in different areas of a country is called	A. Domestic trade B. International trade C. Foreign trade D. Regional Trade
6	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
7	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
8	Cheque is which kind of money:	A. Credit money B. Paper money C. Standard money D. Legal money
9	"Money is what money does" is the statements of:	A. Robbins B. Marshall C. Hicks D. Keynes
10	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
11	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
12	Balance of payments is annual statistical record of	A. Visible goods B. Invisible goods C. Foreign loans D. Visible and invisible goods
13	Quantity theory of money was introduced in an equation by:	A. Fisher B. Marshall C. Crowther D. Tausig
14	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
		A. F.A.Walker

15	The most appropriate definition of money was given by:	B. Keynes C. Pigou D. Crowther
16	Deflation means:	A. Rapid increase in price level B. General decrease in price level C. General increase in price level D. Both a and c
17	One of the following is invisible item of balance of payment	A. Import of motor cars B. Exports of cotton C. Expenditure of passengers traveling by air D. Private investment in foreign country
18	When general price level increases due to increase in aggregate demand, it is known as?	A. Stagflation B. Hyper inflation C. Demand pull inflation D. Cost push inflation
19	Because of devaluation of currency of a country, its exports	A. Decrease B. Increase C. Remains constant D. Go on changing
20	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