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

Sr	Questions	Answers Choice
1	Balance of payment of a country is favourable 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	Which economist explained the absolute difference of cost of two good between two countries	A. Malthus B. Adam Smith C. Ricardo D. J.S Mill
3	Quantity theory of money was introduced by:	A. Fisher B. Marshall C. Crowther D. J.S Mill
4	In case of international trade, trade restrictions are usually	A. Limited B. More C. Too much D. None of three
5	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
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	Money which can be converted into cash money is known is:	A. Near money B. Paper money C. Legal tender money D. Token money
8	Absolute advantage theory was presented by	A. Adam Smith B. Prof Walker C. Ricardo D. Marshall
9	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. Occurance of inflation
10	The exchange of goods and services from country to country is called	A. Foreign B. National trade C. Corporate trade D. Domestic trade
11	The base of international trade theory of Adam Smith is	A. Absolute advantage B. Comparative cost C. Cheaper cost D. Low cost
12	In which year international monetary fund was established	A. 1941 B. 1944 C. 1945 D. 1947
13	The base of international trade theory of Devid Ricardo is	A. Absolute advantage B. Comparative cost C. Cheaper cost D. Low cost
14	Factors of production are more mobile	A. In international trade B. In the country C. In both D. In none
15	Balance of visible goods of a country mean	A. Quantity of imports & exports B. Value of imports & exports C. Value of imported & exported

		goods and services D. Value of imported & exported services
16	International Monetary fund is	A. Local B. Regional C. National D. International
17	A system where the goods are exchanged with money is known as:	A. Monetary system B. Barter system C. Coins system D. Modified system
18	Balance of payments is annual statistical record of	A. Visible goods B. Invisible goods C. Foreign loans D. Visible and invisible goods
19	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
20	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