

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

| Sr | Questions | Answers Choice |
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| 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. Occurance 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. Tausigg |
| 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 |

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| 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 is 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 |