

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

Sr	Questions	Answers Choice
1	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
2	The base of international trade theory of Adam Smith is	A. Absolute advantage B. Comparative cost C. Cheaper cost D. Low cost
3	" 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
4	In order to improve the balance of payment the foremost try is to increase	A. Imports B. Exports C. Production D. Savings
5	The exchange of goods and services from country to country is called	A. Foreign B. National trade C. Corporate trade D. Domestic trade
6	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
7	The systematic record of visible and invisible exports and imports of a country in one year is called	A. Balance of trade B. Balance of payment C. External balance D. Internal balance
8	Recent international depression was appeared in:	A. 1936 B. 1990 C. 2005 D. 2008
9	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
10	In case of international trade, trade restrictions are usually	A. Limited B. More C. Too much D. None of three
11	One of the following is not included in the methods of removing deficit in balance of payments of a country	A. Increase in exports B. Increase in imports C. Devaluation of currency D. Decrease in the quantity of money
12	Quantity theory of money was introduced in an equation by:	A. Fisher B. Marshall C. Crowther D. Tausigg
13	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
14	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 A. Robbins

15	Which economist has stated the definition of balance of payments	B. Kindleberger C. Marshall D. Keynes
16	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 these
17	Which one of the following is included in balance of trade	A. Visible goods B. Invisible goods C. Visible & invisible goods D. All the three
18	Quantity theory of money was criticized by:	A. Marshall B. Sameulson C. Keynes D. Both b and c
19	Foreign exchange is used in	A. Local trade B. Regional trade C. Domestic trade D. International trade
20	Because of devaluation of currency of a country, its exports	A. Decrease B. Increase C. Remains constant D. Go on changing