

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	If supply goes on increasing due to a slight increase in price, then elasticity of supply is called	A. Zero B. Infinite C. Equal to unity D. More than unity
2	Which is not included in variable cost	A. price of raw material B. Advertisement expenditures C. rent of building D. wages of labour
3	One of the following is not include in national income:	A. Transfer payments B. Depreciation C. Wages D. Both a and b
4	If demand is not influenced by the changes in price, elasticity of demand will be	A. Equal to unity B. More than unity C. Less than unity D. Zero
5	In which year international monetary fund was established:	A. 1941 B. 1944 C. 1945 D. 1947
6	Law of increasing return is also known as:	A. Increasing cost B. Constant cost C. Diminishing cost D. Both (a) and (c)
7	When marginal utility is zero, then total utility is	A. Minimum B. Positive C. Maximum D. Zero
8	Economic problem arises because human wants	A. Are unlimited B. Are limited C. Do not exists D. None of three
9	At last, indirect tax is paid by	A. Shopkeeper B. Entrepreneur C. Customer D. Whole-seller
10	Which one factor is free gift of nature ?	A. Land B. Labour C. Capital D. Organization
11	National income means the income	A. Which central government earns during a year B. Which provincial government earn during a year C. Total wealth of a country D. Rewards which the factors of production get during a year
12	The goods which can be used in place of each other, are called	A. Complimentary goods B. Substitute goods C. Alternative goods D. Jointly demanded goods
13	Number of factors of production is	A. One B. Two C. Three D. Four
14	Branches of public finance are	A. Two B. Three C. Four D. Five
		A. Systematic

15	Deductive method of economic study.	B. General to particular C. Universal to particular D. Both (b) and (c)
16	Transfer payment means:	A. Rent transfer B. Wages transfer C. Reward without services D. Profit transfer
17	Period in national income counting is	A. One year B. Two years C. Three years D. Four years
18	According to law of diminishing marginal utility, Utility of every new (Additional) unit of commodity	A. Increases B. Decreases C. Remains constant D. None of these
19	One of the following is not advantage of paper money	A. Saving of metals B. Saving of coinage C. Easy transferability D. Perfectly inelastic supply
20	When price increases, supply:	A. Contracts B. Expands C. Remains fixed D. Becomes zero