

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

Sr	Questions	Answers Choice
1	Who said that economics is science of unlimited wants and limited means	A. Adam Smith B. Marshall C. Pigou D. Robbins
2	Quantity theory of money was criticised by	A. Prof. Keynes B. Prof Marshall C. Prof Pigou D. i and ii both
3	Disposable personal income means	A. Total of incomes B. Income of an industry after fulfilling all the needs C. After paying personal taxes, income of the people who provide factors of production D. Save income of a person after the payment of the taxes
4	Finance minister in order to increase the public revenue imposes the tax on the commodities whose demand is more elastic	A. At low rate B. At high rate C. Some times decreases the rate and some times increases D. Does not change Tax rate
5	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
6	When price increases, supply:	A. Contracts B. Expands C. Remains fixed D. Becomes zero
7	The most important and basic factor of production is	A. Land B. Labour C. Capital D. Organization
8	Production of a commodity depends upon four factors of production i.e. land, labour, capital and organization	A. According to classical economists     B. According to Neo classical     economists     C. According to modern economists     D. According to Austrian school of thought
9	One rupee note in paper money is	A. Inconvertible paper money     B. Convertible paper money     C. Limited legal tender money     D. Unlimited legal tender money
10	Laws of returns are also known as:	A. Laws of substitution B. Laws of consumption C. Laws of cost D. All of three
11	Notes and coins are legal tender money because	A. Government keeps gold and silver in their exchange B. They are issued by the commercial banks C. They are issued by the central bank D. People are bound to accept them
12	Which law is applicable when human and natural forces are balance?	A. Increasing cost B. Constant cost C. Diminishing cost D. Both (a) and (c)
13	TU is maximum where MU of all goods is:	A. Minimum B. Maximum C. Negative D. Equal

14	AR curve is also called:	A. Supply curve B. Demand curve C. Utility curve D. Cost curve
15	If we subtract direct taxes from personal income, we get	A. Net national income B. Net domestic income C. Disposable personal income D. Personal savings
16	If the total expenditure of the consumer decreases due to decrease in price, then nature of elasticity of demand will be	A. Equal to unity B. Less than unity C. More than unity D. Elasticity of demand = zero
17	Who did write the book named "Nature and importance of economics"	A. Adam smith B. Marshall C. Robbins D. Keynes
18	TC = TFC +:	A. MC B. AR C. TVC D. TAC
19	Industry is in equilibrium under perfect competition in the long run, when every existing firm in the industry	A. Is earning abnormal profit B. Is earning normal profit C. Is facing minimum loss D. Is facing abnormal loss
20	On which of the following law of diminishing marginal utility is applicable	A. Money and wealth B. Diamonds and jewels C. Goods of fashion D. Necessities of life