

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	If there is slight change in price and demand, it is called	A. Arc elasticity B. Point elasticity C. Income elasticity D. Cross elasticity
2	The supply curve of Fish is	A. More elastic B. Less elastic C. Inelastic D. Infinite elastic
3	One of the following is not the method to control deflation	A. Decrease in public expenditures B. Decrease in interest rate C. Decrease in income tax D. increase in exports
4	Law of increasing return is more applicable in:	A. Trade sector B. Industrial sector C. Agricultural sector D. Power sector
5	Under monopoly the price is always equal to:	A. AR B. MR C. MC D. AVC
6	A firm earns normal profit	A. When price of the commodity is equal to average cost B. When price of the commodity is more than average cost C. When price of the commodity is less than average cost D. When total revenue is more than total costs
7	A big change in demand and price is called:	A. PointElasticity of demand B. ArcElasticity of demand C. CrossElasticity of demand D. PriceElasticity of demand
8	Difficulties in barter system:	A. Lack of double coincidence of wants B. Lack of storing value C. Lack of common measure of value D. All of these
9	If the income and expenditures of the government are equal, such budget is called	A. Surplus budget B. Deficit budget C. Balanced budget D. Capital budget
10	In case of international trade, trade restrictions are usually	A. Limited B. More C. Too much D. None of three
11	Supply curve shifts due to better technique of production	A. Rightward B. Leftward C. Does not change D. Vertical
12	In case of perfectly elastic supply or infinite elasticity of supply, supply curve is	A. Horizontal (parallel to x-axis) B. Vertical (parallel to y-axis) C. Positive sloped D. Negative sloped
13	Economic laws are:	A. Definite and universal B. Conditional C. Moral D. Political
14	According to quantity theory of money, if quantity of money is doubled then prices are doubled while value of money is	A. Doubled B. One halved C. Less than one halved D. Not influenced

15	Psychological theory of trade cycles is presented by	A. Prof Jevons B. Prof Pigou and Bagehot C. Prof Keynes D. Prof Hawtrey
16	Direct taxes are not included in:	A. Personal income B. G.N.P C. G.D.P D. Disposable personal income
17	How many are kinds of theoretical economics	A. Two B. Three C. Four D. Five
18	Which thing of the following should be subtracted from gross national product to get net national product	A. Direct taxes B. Indirect taxes C. Depreciation allowance D. Income received from foreign country
19	If supply curve is vertical (parallel to y-axis), then elasticity of supply is	A. Zero B. Infinite C. Equal to unity D. More than unity
20	Which factor combines other three factors ?	A. Land B. Labour C. Capital D. Organization