

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Government estimates its income and expenditures	A. Monthly B. Three monthly C. Six monthly D. Annual
2	The rate of usher on product of canal land is	A. 5% B. 10% C. 20% D. 2.5%
3	According to which economist, it is difficult to find marginal product of a factor of production	A. Marshall and pigou B. Adam Smith and Malthus C. Keynes D. Taussing and Davenport
4	The shape of average cost curve in the short period is	A. Vertical B. Horizontal C. Positively sloping D. Like English alphabet U
5	This paper notes which can be converted into gold, silver or foreign exchange are called	A. Standard money B. Unlimited legal tender money C. Convertible paper money D. Inconvertible paper money
6	Founder of Classical school of thought was:	A. Adam smith B. Marshall C. Robbins D. Keynes
7	When total utility is decreasing, marginal utility is	A. Zero B. Positive C. Negative D. Maximum
8	The relation between quantity of money and price is:	A. Positive B. Negative C. Direct D. Inverse
9	If same amount of good is supplied at higher price, it is called	A. Expansion of supply B. Contraction of supply C. Fall in supply D. Rise in supply
10	Capital goods are those which can satisfy human wants:	A. Directly B. Indirectly C. Proportionate D. None of these
11	Under monopoly the price is always equal to:	A. AR B. MR C. MC D. AVC
12	Surplus budget for the government is considered	A. Useful B. Harmful C. Useful & harmful D. None of three
13	According to professor Ackley Gardener, amounts are included in national income	A. Wages B. Rents and interests C. Profits D. All the three
14	If the face value of a coin is greater than the value of metal used in:	A. Legal money B. Token money C. Standard money D. Both b and c
15	If supply curve is horizontal (parallel to x-axis) then elasticity of supply is	A. Zero B. Infinite C. Equal to unity D. More than unity

16 "Principles of Economics" was written in:
A. 1776
B. 1890
C. 1932
D. 1930

17 In the long run monopolist earns profit:
A. Normal
B. Abnormal
C. Super normal
D. Both b and c

18 The second name of law of constant return is
A. Law of decreasing cost
B. Law of increasing cost
C. Law of cost
D. Law of constant cost

19 The trade transaction between the individuals of different areas of a country is called
A. Local trade
B. Regional trade
C. Domestic trade
D. International trade

20 Under monopoly, in the long run a firm
A. Earns normal profit
B. Earns abnormal profit
C. Bears minimum loss
D. Bears abnormal loss
