

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Desire + Purchasing power is equal to:	A. Demand B. Supply C. Income D. Utility
2	When demand and supply rise in equal proportion, the equilibrium price will:	A. Fall B. Rise C. Constant D. None of those
3	Economy gets prosperity during	A. Recession B. Depression C. Boom D. Recovery
4	The additional cost which a firm has to bear in order to produce additional unit of output, are called	A. Average cost B. Marginal cost C. Fixed costs D. Variable costs
5	Net foreign income is	A. Exports - imports B. Exports + imports C. Income received by exports D. Income received by imports
6	Monopoly is opposite to	A. Perfect competition B. Imperfect competition C. Perfect competition and imperfect competition both D. Oligopoly
7	The ratio of change in investment to change in income is known as:	A. Multiplier B. Accelerator C. MEC D. Both a and b
8	If quantity demanded for a commodity changes due to the change in income, it is called	A. Price elasticity B. Point elasticity C. Cross elasticity D. Income elasticity
9	Self owned resources are known as:	A. Implicit cost B. Explicit cost C. Opportunity cost D. Sunk cost
10	Under Monopoly, a firm is in equilibrium position when Ed is:	A. Equal to unity B. Less than unity C. Greater than unity D. Both b and c
11	First and basic law of consumption is	A. Law of demand B. Law of decreasing return C. Law of supply D. Law of diminishing marginal utility
12	The main source of the public revenue is	A. Fee B. Tax C. Fines D. Gifts and aid
13	During recession demand for factors of production is	A. More B. Limited C. Very low D. Too much
14	Fourth factor of production is called	A. Land B. Labour C. Capital D. Organization
15	----- is not included in gross domestic product	A. Private investment B. Income received from foreign country

		C. Depreciation allowance D. Govt. investment
16	Which economist is called Aristotal of economics	A. Marshall B. Keynes C. Adam Smith D. Malthus
17	Economics studies human behaviour from	A. Individual angle B. Collective angle C. Individual & Collective angle D. None
18	In a production process, when units of variable factors along with fixed factor of production are increased, marginal cost goes on rising, this tendency in economics is called	A. Law of decreasing cost B. Law of constant cost C. Law of increasing cost D. Law of increasing return
19	The relation between quantity of money and value of money is:	A. Positive B. Negative C. Direct D. Inverse
20	Marginal revenue product is the amount of money attained by selling	A. Average product B. Marginal product C. Total product D. None of these