

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Which laws are conditional	A. State B. Economic C. Scientific D. Moral
2	Economics is a science:	A. Political B. Spiritual C. Social D. Scientific
3	The cause of extension and contraction of demand is	A. Income B. Price C. Population D. Technology
4	When general price level increases due to increase in cost of production, it is known as ?	A. Stagflation B. Hyper inflation C. Demand pull inflation D. Cost push inflation
5	If 30% change in supply in response to 50% change in price then:	A. Es = 0 B. Es = 1 C. Es > 1 D. Es < 1
6	If the rate of tax does not change with decrease or increase in the level of income, is called	A. Proportional tax B. Progressive tax C. Regressive tax D. value added tax
7	Desire + Purchasing power is equal to:	A. Demand B. Supply C. Income D. Utility
8	During depression, a government prepares budget which is	A. Balanced B. Surplus C. Deficit D. Unbalanced
9	If a firm does not produce anything then its variable cost is:	A. Minimum B. Negative C. Maximum D. Zero
10	Study of large aggregated of economic system is called	A. Micro economics B. Macro economics C. Applied economics D. All the three
11	One of the following is not included in implicit cost	A. Interest of entrepreneur's own capital B. Rent of building C. Reward of entrepreneur's own labour D. Reward of entrepreneur's own land
12	Which is not studied in macro economics ?	A. National income B. Money and banking C. Consumer's behavior D. Public finance
13	Which one of the following is indirect tax	A. Income tax B. Property tax C. Wealth tax D. Sales tax
14	Elasticity of demand for luxuries is	A. Equal to unity B. More than unity C. Less than unity D. Zero
		A. Moves from left to right upward

15	According to law of demand, when price of a commodity decreases, then demand curve	<p>B. Moves from left to right downward</p> <p>C. Moves vertically</p> <p>D. Moves horizontally</p>
16	Which laws are definite and universal	<p>A. Economic laws</p> <p>B. Moral laws</p> <p>C. State laws</p> <p>D. Scientific laws</p>
17	According to classical theory of international trade, a country imports those goods from the other country which	<p>A. Are durable</p> <p>B. Are standardised</p> <p>C. Are produced comparatively at high cost</p> <p>D. Are not produced in that country</p>
18	The ratio of change in investment to change in income is known as:	<p>A. Multiplier</p> <p>B. Accelerator</p> <p>C. MEC</p> <p>D. Both a and b</p>
19	The cause of shifting of supply curve is	<p>A. Change in price</p> <p>B. Other factors</p> <p>C. change in serving</p> <p>D. change in demand</p>
20	Organization means an individual or institution which with optimum factor combination	<p>A. Lays foundation of business always earning profit</p> <p>B. Lays foundation of business but does not accept the responsibility of profit and loss</p> <p>C. Lays foundation of business but accepts the responsibility of profit and loss</p> <p>D. Serves as a manger in the business and receives remuneration</p>