

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Supply curve of perishable goods is:	A. Horizontal B. Vertical C. Infinite D. All of them
2	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
3	Law of increasing return is more applicable in:	A. Trade sector B. Industrial sector C. Agricultural sector D. Power sector
4	To which area of England Adam Smith belonged	A. Wales B. Scotland C. Ireland D. London
5	When average cost falls marginal cost is ----- average cost	A. More than B. Less than C. Equal to D. A and C
6	One is not included in measuring National income	A. Wage of labour B. services of house lady C. Agricultural production D. Industrial production
7	Balance of payment of a country is balanced when its	A. Receipts are more than payments B. Receipts are less than payments C. Receipts are equal to payments D. None of three
8	When there is deflation, then prices	A. Increase B. Decrease C. Remain constant D. do not change
9	Marginal utility curve moves	A. From left to right downward B. From left to right upward C. Parallel to ox axis D. Parallel to oy axis
10	"Public finance deals with governments revenue and expenditure and it studies how government maintains balance between its revenue and expenditures" This definition is steady by	A. Dalton B. Armitage Smith C. Bastable D. pigou
11	According to which economist, some factors are indivisible	A. Adam Smith B. Marshall C. Davenport D. Hobson
12	Firm earns maximum profit at the point where	A. Difference between total costs and total revenue is highest and the total revenue curve is above B. Total costs and total revenue curves intersect each other C. Total costs curve is above the total revenue curve D. Difference between total costs and total revenue is minimum
13	Firms equilibrium is at that point where	A. MC=AR B. MC=MR C. MC=AVC D. MC=AC
		A. Normal profit B. Super profit C. Super normal profit D. Super super profit

14	A monopolist firm usually earns	B. Abnormal profit C. Minimum loss D. Abnormal loss
15	Convertible paper money is issued by	A. Central bank B. Commercial bank C. Industrial bank D. Central government
16	Direct taxes are not included in:	A. Personal income B. G.N.P C. G.D.P D. Disposable personal income
17	Market price will be determined where	A. Supply is more than demand B. Demand is more than supply C. Demand and supply are equal D. Demand is less elastic and supply is more elastic
18	Demand for the commodities whose use can be postponed is	A. Less elastic B. More elastic C. Perfectly inelastic D. infinitely elastic
19	Supply is Fixed of:	A. Perishable goods B. Free goods C. Durable goods D. Substitute goods
20	Causes of shifting in supply curve is:	A. Change in technique B. Change in cost C. Change in tax D. All of them