

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Equilibrium means	A. the condition that is not possible B. an unstable condition C. a condition that can change D. stable position
2	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
3	Consumer's equilibrium takes place at that point where:	A. MU is negative B. MU is positve C. TU is maximum D. MU is maximum
4	The ratio of change in investment to change in income is known as:	A. Multiplier B. Accelerator C. MEC D. Both a and b
5	The kind of market, in which a single firm produces a single commodity which has no close substitute	A. Monopoly B. Duopoly C. Oligopoly D. Perfect competition
6	If the total expenditure of the consumer decreases due to decrease in price, then nature of elasticity of demand will be	A. Equal to unity B. Less than unity C. More than unity D. Elasticity of demand = zero
7	Firm's cost depends upon:	A. Revenue B. Supply C. Price D. Output
8	The factor of production which is result of human struggle.	A. Land B. Labour C. Capital D. Organization
9	If supply increase due to increase in price, it is called	A. Extension of supply B. Contraction of supply C. Rise of supply D. Fall of supply
10	If supply does not change, then due to fall of demand	A. Equilibrium price decreases B. Equilibrium price increases C. Equilibrium price does not change D. Equilibrium quantity increases
11	Which one is increasing function of price	A. Demand B. Supply C. Utility D. Consumption
12	In which phase of a trade cycle level of employment and income become very low	A. Depression B. Recovery C. Boom D. Recession
13	Under perfect competition:	A. AR > MR B. AR < MR C. AR = MR D. All of three
14	In which year international monetary fund was established:	A. 1941 B. 1944 C. 1945 D. 1947
15	One of the following is not the characteristic of money	A. General acceptability B. Durability C. Non homogeneity D. Convertibility

16	If the demand for a commodity is less elastic, then an entrepreneur in order to increase his profit	A. Will increase its price B. Will decrease its price C. Will not change its price D. None of these
17	If the total expenditure of the consumer increases due to increase in price, then nature of elasticity of demand will be	A. Equal to unity B. Less than unity C. More than unity D. Elasticity of demand = zero
18	Prof Fisher presented quantity theory of money in the form of an equation in	A. 1905 B. 1911 C. 1915 D. 1917
19	Industry is in equilibrium under perfect competition in the long run, when every existing firm in the industry	A. Is earning abnormal profit B. Is earning normal profit C. Is facing minimum loss D. Is facing abnormal loss
20	Cheque is which kind of money:	A. Credit money B. Paper money C. Standard money D. Legal money