Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	If supply of a commodity changes by more than 10% due to 10% change in its price, then elasticity of supply will be	A. Equal to unity B. More than unity C. Less than unity D. Infinite
2	Under increasing return, the slope of marginal product curve is	A. Positive B. Negative C. Infinite D. Zero
3	According to which economist, some factors are indivisble	A. Adam Smith B. Marshall C. Davenport D. Hobson
4	In production process when marginal product increases with the increase in units of variable factors along with fixed factor, this tendency in economics is called	A. Law of production B. Law of increasing return C. Law of decreasing return D. Law of constant return
5	Under decreasing return, the slope of marginal product curve is	A. Negative B. Positive C. Infinite D. Zero
6	When average cost falls marginal cost is ---------- average cost	A. More than B. Less than C. Equal to D. A and C
7	One of the following is not the difficulty of the barter system	A. Indivisibility of goods B. Lack of common measure of value C. Double coincidence of wants D. Lack of store of value
8	Which one of the following is included in balance of trade	A. Visible goods B. Invisible goods C. Visible & invisible goods D. All the three
9	When marginal utility is zero, then total utility is	A. Minimum B. Positive C. Maximum D. Zero
10	Market equilibrium is attained when there exists in the market	A. Perfect competition B. Imperfect competition C. Monopoly D. Large quantity of commodity comes in the market
11	In which of the following condition theory of international trade is presented	A. Monopoly B. Duopoly C. Monopolistic competition D. Perfect competition
12	Ceteris paribus means:	A. Other things remain the same B. Assumptions of the law C. Conditions of the law D. All of them
13	In law of decreasing cost, marginal cost	A. Increases B. Decreases C. Remains constant D. Does not change
14	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
15	Psychological theory of trade cycles is presented by	A. Prof Jevons B. Prof Pigou and Bagehot C. Prof Keynes

		D. Prof Hawtrey
16	If supply does not change despite a change in price, then elasticity of supply is called	A. Equal to unity B. Less than unity C. More than unity D. Zero
17	Cardinal utility approach was presented by:	A. Adam smith B. Keynes C. Robbins D. Marshall
18	If total expenditure of the consumer decreases 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
19	When total product decreases, marginal product	A. Is positive B. Is negative C. Is zero D. Is increasing
20	Curve of law of diminishing marginal utility	A. Moves from left to right downward B. Moves from left to right upward C. Firstly it has a tendency to rise up and after a certain limit it starts falling D. It is parallel to ox-axis