

## Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Which is not studied in micro economics ?	A. Theory of consumer behaviour B. Price theory <b>C. Theory of money</b> D. Theory of distribution of wealth
2	Who said that utility cannot be measured	A. Adam smith B. Marshall C. Keynes <b>D. Hicks</b>
3	The purchasing power of money is called	<b>A. value of money</b> B. Medium of exchange C. quantity of money D. credit money
4	If we deduct foreign income from GNP, we get:	A. N.N.P <b>B. G.D.P</b> C. D.P.I D. P.I
5	The percentage part of the agricultural produce is payable as Zakat which is irrigated by natural water	A. 5% <b>B. 10%</b> C. 15% D. 20%
6	Economics is basically divided into two parts	<b>A. Micro and macro economics</b> B. Micro and applied economics <b>C. Theoretical and applied economics</b> D. Welfare and applied economics
7	Formula method to measure elasticity of supply is related to	A. Marshall B. Robbins <b>C. R.G.D Allen</b> D. Flux
8	The average duration of trade cycle is:	A. Five years B. Fifty years C. Twenty years <b>D. Ten years</b>
9	Which thing of the following should be subtracted from gross national product to get net national product	A. Direct taxes B. Indirect taxes <b>C. Depreciation allowance</b> D. Income received from foreign country
10	Laws of returns are also known as:	A. Laws of substitution B. Laws of consumption <b>C. Laws of cost</b> D. All of three
11	One of the following is not advantage of international trade	A. Provision of necessities of life <b>B. Imperfections of market</b> C. Provision of medicines & machinery D. Provision of necessities of defence
12	In mathematics, symbol for utility is used	<b>A. U</b> B. M C. X D. Y
13	By which money business dealing has become easy	A. Metalic money B. Paper money <b>C. Credit money</b> D. Near money
14	If an entrepreneur does service, in economics it is called	<b>A. Organization</b> B. Discipline C. Labour D. Wage

15	National income increases by	A. The increase in the quantity of capital goods B. The increase in the quantity of goods and services C. The increase in price of goods D. The increase in the income of entrepreneurs
16	If supply curve is vertical (parallel to y-axis), then elasticity of supply is	A. Zero B. Infinite C. Equal to unity D. More than unity
17	Which is subtracted from gross national product to find gross domestic product	A. Depreciation allowance B. Net income received from foreign sources C. Indirect taxes D. Transfer payments
18	When after the observation and analysis of the conditions, they are stated as they are, is called	A. Normative science B. Positive science C. Vegetation science D. Science of Prediction
19	With the increase of output, which cost of production increases:	A. VC B. AC C. FC D. MC
20	The money in which payment can be made only to certain extent is called	A. Unlimited legal tender money B. Limited legal tender money C. Metallic money D. Paper money