

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	In which phase of a trade cycle production, employment, wages and rate of interest etc start rising gradually	A. Boom B. Depression C. Recovery D. Recession
2	Quickly destroyable goods are called	A. Superior goods B. Inferior goods C. Perishable goods D. Giffen godds
3	Demand for luxuries in	A. Les elastic B. More elastic C. Perfectly elastic D. Perfectly inelastic
4	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
5	One of the following is not included in the characteristics of labour	A. Labour and labourer cannot be separated B. Labour can be stored C. Labour has limited mobility D. Supply of labour is inelastic
6	Mental or physical work undertaken for reward by human being is called	A. Land B. Labour C. Capital D. Organization
7	The name of first law of consumption is	A. Law of demand B. Law of diminishing marginal utility C. Law of equi marginal utility D. Law of supply
8	Supply is Fixed of:	A. Perishable goods B. Free goods C. Durable goods D. Substitute goods
9	In law of constant return, marginal product	A. Increases B. Decreases C. Remains constant D. Remains changing
10	Applied on agriculture immediately	A. Law of increasing return B. Law of substitution C. Law of decreasing return D. Law of decreasing cost
11	According to law of diminishing marginal utility, marginal utility of a commodity	A. Increases B. Decreases C. Remains constant D. Become negative
12	If supply does not change, then due to rise in demand, equilibrium price.	A. Increases B. Decreases C. Does not change D. Becomes zero
13	Equilibrium price is determined in.	A. Perfect market B. Imperfect market C. Monopoly D. None of these
14	Absolute advantage theory was presented by	A. Adam Smith B. Prof Walker C. Ricardo D. Marshall
15	Under perfect competition average revenue is equal to:	A. Average cost B. Price C. Marginal revenue

		D. Both b and c
16	If we deduct depreciation from GNP, we get:	A. P.I B. G.D.P C. D.P.I D. N.N.P
17	Which one is not condition of perfect competition	A. Homogeneity of good B. Difference in price of good C. Large number of buyers and sellers D. Perfect knowledge of market
18	If a monopolist wants to increase the sale of its product, it will have to the price of its good	A. Decrease B. Increase C. Keep constant D. None of the three
19	Shape of market supply curve is	A. Horizontal or parallel to ox curve B. Vertical or parallel to oy curve C. Positively sloping D. Negatively sloping
20	One of the following is not the cause of inflation	A. Increase in quantity of money B. Increase in demand for goods C. Increase in supply of goods D. Increase in cost of production