

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Inflation is created	A. When demand for goods is less than their supply B. When demand for goods is more than their supply C. When demand for goods becomes equal to their supply D. When demand and supply of goods do not change
2	This paper notes which can be converted into gold, silver or foreign exchange are called	A. Standard money B. Unlimited legal tender money C. Convertible paper money D. Inconvertible paper money
3	Walker, senior and Malthus belonged to school of thought	A. Classical B. Neo classical C. Keynesian D. None of these
4	Convertible paper money is issued by	A. Central bank B. Commercial bank C. Industrial bank D. Central government
5	When price decreases, supply	A. Extends B. Contracts C. Becomes zero D. Remains fixed
6	If elasticity of supply is less than unity then extending supply curve downward, it passes through or crosses	A. y-axis B. x-axis C. Point of origin D. Becomes vertical
7	MRP curve is sloping:	A. Negative B. Positive C. Downward D. Both a and c
8	The base of international trade theory of David Ricardo is	A. Absolute advantage B. Comparative cost C. Cheaper cost D. Low cost
9	If the most part of total supply of commodity is produced by one firm, it is called	A. Oligopoly B. Monopoly C. Perfect competition D. Monopolistic competition
10	Relationship between price and quantity demanded is called	A. Demand schedule B. Demand curve C. Law of demand D. Assumptions of law of demand
11	Relationship of level of prices and quantity of money	A. Positive B. Negative C. Indirect D. 2nd and 3rd both
12	If income of the government is more than its expenditures, such budget is called	A. Surplus budget B. Deficit budget C. Balanced budget D. Capital budget
13	Marginal productivity theory was presented by:	A. Pigou and Cannon B. Adam Smith and F.A. Walker C. Keynes and Semeulson D. Marshall and J.B. Clark
14	Who did separate economics from political science for the first time	A. Marshall B. Malthus C. Adam Smith D. Ricardo

15	Who did write the book named "General theory of employment, interest and money"	A. Marshall B. Pigou C. Adam Smith D. Keynes
16	Law of diminishing marginal utility provides basis for:	A. Law of demand B. Law of equi marginal utility C. Law of supply D. Both (a) and (b)
17	Laws which reflect religion of society	A. Economic laws B. State laws C. Scientific laws D. Moral laws
18	Exact perdition not possible in:	A. Economic laws B. Science laws C. Moral laws D. Social law
19	When total utility is decreasing, marginal utility is	A. Zero B. Positive C. Negative D. Maximum
20	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