

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	On which amount Zakat is payable	A. Twenty thousand rupees B. On the amount equal to the value of 7.5 tola gold or 52.5 tola silver C. On fifty thousand rupees D. On one lac rupees
2	Who said that economics is positive science ?	A. Adam smith B. Marshall C. Robbins D. Keynes
3	The purchasing power of money is called	A. value of money B. Medium of exchange C. quantity of money D. credit money
4	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
5	A firm suffers abnormal losses, when:	A. $AC = AR$ B. $AVC = AR$ C. $AVC < AR$ D. $AVC > AR$
6	Method of measuring national income	A. National income=Gross national product - depreciation allowance B. National income= Net national product - Indirect costs C. National income= Net national product + subsidies D. National income= Net national product - indirect taxes + subsidies
7	The equilibrium of the market is that demand and supply to each other are	A. opposite B. positive C. equal D. negative
8	When demand increases due to change in other factors it is known as:	A. Contraction in demand B. Expansion and contraction in demand C. Expansion in demand D. Rise in demand
9	Which one of the following does not exist during deflation	A. Production decreases B. Value of money increases C. Supply of goods and services increases from their demand D. Level of employment increases
10	" International balance of payment is all that transaction for which either foreign exchange is spent or received." This definition is stated by	A. Prof. Marshal B. Prof. Samuelson C. Prof. Ricardo D. Prof. Hicks
11	On which of the following law of diminishing marginal utility is applicable	A. Money and wealth B. Historical articles C. Normal goods of need D. Narcotics
12	Prof Fisher presented quantity theory of money in the form of an equation in	A. 1905 B. 1911 C. 1915 D. 1917
13	If the rate of change in price and quantity supplied is equal then:	A. $E_s = 0$ B. $E_s = 1$ C. $E_s > 1$ D. $E_s < 1$
14	One rupee note in paper money is	A. Inconvertible paper money B. Convertible paper money C. Limited legal tender money D. Full legal tender money

		D. Unlimited legal tender money
15	When marginal utility is zero, than total utility is:	A. Minimum B. Positive C. Maximum D. Zero
16	A system where the goods are exchange with goods is known as:	A. Monetary system B. Barter System C. Coins system D. Goods system
17	If price of a commodity constant but its supply increases or price decreases but supply remains constant, it is called	A. Rise of supply B. Fall of supply C. Extension of supply D. Contraction of supply
18	World economic depression accured in	A. 1927 B. 1928 C. 1929 D. 1931
19	Shut down point appears, when	A. $AVC=AR$ B. $AVC>AR$ C. $AVC<AR$ D. $AC=AR$
20	Tendency of demand curve of a factor of production is	A. Positive B. Negative C. Zero D. Horizontal