

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	When average cost curve is rising, then marginal cost curve	A. Remains below it B. Remains above it C. Remains parallel to it D. Is vertical
2	MRP curve is slopping:	A. Negative B. Positive C. Downward D. Both a and c
3	If demand did not influence by the charge in price, that is called:	A. Elasticity of demand = 1 B. Elasticity of demand < 1 C. Elasticity of demand > 1 D. Elasticity of demand = 0
4	Objective of a rational consumer is	A. To save maximum amount from hi limited income B. To buy goods at minimum price C. Best choice from existing economic goods D. To attain maximum utility from the spent amount
5	Relationship of level of prices and quantity of money	A. Positive B. Negative C. Indirect D. 2nd and 3rd both
6	If the face value of a coin is greater than the value of metal used in:	A. Legal money B. Token money C. Standard money D. Both b and c
7	If demand is not influenced by the changes in price, elasticity of demand will be	A. Equal to unity B. More than unity C. Less than unity D. Zero
8	Innovation theory is presented by	A. Prof Kegnes B. Prof Schumpeter C. Prof Hicks D. Prof Foster
9	The percentage part of the agricultural produce is payable as Zakat which is irrigated by natural water	A. 5% B. 10% C. 15% D. 20%
10	Marginal revenue product is the amount of money attained by selling:	A. Average product B. Marginal product C. Total product D. Total cost
11	Value of money means purchasing power of money. If quantity of money is doubled then	A. Purchasing power of money will bone halved B. Purchasing power of money will boubled C. Purchasing power of money will bouripled D. There will be no effect on the purchasing power of money
12	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
13	Production of an additional unit of factor refers to:	A. AP B. TP C. MP D. MR
14	One of the following is not disadvantage of international trade	A. Dependence on production of limited goods B. Supply of goods injurious to healt

		C. Bitter pill for political freedom D. Development of civilization & Control & Contro
15	When average product increase, marginal product	A. Decreases B. Is zero C. Is negative D. Also increases
16	national income is found by	A. Subtracting depreciation allowance from gross national product B. Subtracting indirect taxes from net national product C. Adding subsidies in net national product D. Subtracting indirect taxes and adding subsidies in net national product
17	The expected rate of profit from a business is known as:	A. Multiplier B. Accelerator C. Marginal efficiency of capital D. Both a and b
18	Individuals of a country produce a certain quantity of goods and services using the resources of the country with the help of their capital, it is called national income this definition is presented by	A. Professor Marshall B. Professor Paul A Samuelson C. Professor Fisher D. Professor Pigou
19	The rate change in total cost is:	A. TR B. MC C. MR D. TC
20	Which one of the following public expenditures is related to transport	A. Police B. Defence C. Railway D. Public education