

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	"National income is that part of material wealth of a nation which can be measured by the scale of money" This definition of national income is stated by the economist	A. Marshall B. Pigou C. Adam smith D. Clark
2	Quantity of a commodity offered for sale in a market at a certain price during a given period of time, is called	A. Stock B. Demand C. Supply D. Quantity demanded
3	In a production process, when units of variable factors along with the fixed factor of production are increased, marginal cost remains the same, this tendency in economics is called	A. Law of decreasing cost B. Law of constant cost C. Law of increasing cost D. Law of decreasing return
4	Under monopoly, in the long run a firm	A. Earns normal profit B. Earns abnormal profit C. Bears minimum loss D. Bears abnormal loss
5	Which one of the following is included in balance of trade	A. Visible goods B. Invisible goods C. Visible & invisible goods D. All the three
6	If everybody pays tax according to his financial position, it is said	A. canon of convenience B. canon of Equality C. canon of Economy D. canon of simplicity
7	"Purchasing power of money is inverse of level of prices. So study of purchasing power of money is identical with the study of level of prices." These are the words of	A. Prof Irving Fisher B. Prof Crowther C. Prof Pigou D. Prof Keynes
8	Usually elasticity of demand in equilibrium situation under monopoly is	A. Equal than unity B. Less than unity C. more than unity D. Zero
9	Economic laws are	A. Definite and universal B. Of Conditional nature C. Of moral nature D. Of political nature
10	International trade is based on the following except	A. Different factors of production are required for the production of different goods B. Factors of production exist in different ratios in different countries C. Factors of production are in abundant quantity in different countries D. Factors of production are in limited quantity in different countries
11	Under consumption or over saving theory is presented by	A. Prof Hobson, Foster and Catchings B. Prof Hawtrey C. Prof Keynes D. Prof Jevons
12	Elasticity of demand for durable goods is	A. More elastic B. Less elastic C. Infinte D. Zero
13	National income means the income	A. Which central government earns during a year B. Which provincial government earn during a year C. Total wealth of a country D. Rewards which the factors of production get during a year

14	A firm is in equilibrium, where:	A. $AR = MR$ B. $AC = MC$ C. $AC = MR$ D. $MC = MR$
15	Economic point of view of the supporters of which school of thought is the name of feeling and mental state	A. Classical B. Neo classical C. Ancient D. Modern
16	Non elastic demand curve is	A. positive B. negative C. vertical D. horizontal
17	Second name of unitary method is	A. Method of total satisfaction B. total expenditure method C. total revenue method D. Both 2nd and 3rd
18	MC cuts AC at:	A. Maximum point B. Minimum point C. Increasing point D. Decreasing point
19	Reward of capital is called	A. Rent B. Wage C. Interest D. Profit
20	According to law of demand, when price of a commodity decreases, then demand curve	A. Moves from left to right upward B. Moves from left to right downward C. Moves vertically D. Moves horizontally