

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	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
2	If demand for a commodity changes due to change in price of its substitute, it is called	A. Price elasticity B. Point elasticity C. Cross elasticity D. Arc elasticity
3	If demand for commodity X changes due to the change in price of commodity, it is called	A. Cross elasticity B. Price elasticity C. Income elasticity D. Arc elasticity
4	If demand and supply both fall in the same proportion	A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium price does not change D. Equilibrium quantity increases
5	If in a production sector, along with the fixed factor of production, by increasing units of variable factors, marginal product remains constant, this tendency in economics is called	A. Law of increasing return B. Law of constant return C. Law of decreasing return D. Law of production
6	One rupee note in paper money is	A. Inconvertible paper money B. Convertible paper money C. Limited legal tender money D. Unlimited legal tender money
7	The trade transaction between the individuals of different areas of a country is called	A. Local trade B. Regional trade C. Domestic trade D. International trade
8	Which economist did present, cardinal theory of utility	A. Marshall B. Karoos C. Cannon D. J.B. Say
9	If quantity demand changes due to the change in income, it is called:	A. Point Elasticity of demand B. Arc Elasticity of demand C. Income Elasticity of demand D. Price Elasticity of demand
10	At equilibrium price, demand and supply	A. Increase B. Become equal C. Decrease D. are different
11	When marginal utility is zero, then total utility is	A. Minimum B. Positive C. Maximum D. Zero
12	If there are large number of firms in some particular industry, then situation is called	A. Perfect competition B. Imperfect competition C. Monopoly D. Monopolistic competition
13	Curve of law of diminishing marginal utility	A. Moves from left to right downward B. Moves from left to right upward C. Firstly it has a tendency to rise up and after a certain limit it starts falling D. It is parallel to ox-axis
14	Who did name economics as science of satisfying unlimited wants with limited means	A. Marshal B. Adam Smith C. Robbins D. Pigou
15	One is not included in measuring National income	A. Wage of labour B. services of house lady C. Agricultural production D. Capital

-
- 16 Demand for luxuries in
- A. Less elastic
B. More elastic
C. Perfectly elastic
D. Perfectly inelastic
-
- 17 If demand decreases by 15% due to 10% increase in Price, then elasticity of demand is
- A. Equal to unity
B. More than unity
C. Less than unity
D. Zero
-
- 18 All Pakistani coins are
- A. Token money
B. Standard money
C. Convertible money
D. Inconvertible money
-
- 19 In balance of payment are included
- A. Visible items
B. Invisible items
C. Visible and invisible items
D. Material items
-
- 20 To which area of England Adam Smith belonged
- A. Wales
B. Scotland
C. Ireland
D. London
-