

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Market equilibrium is determined when	A. Demand = supply B. Demand > supply C. Demand < supply D. Demand = zero
2	Demand for basic necessities of life is:	A. Perfectly elastic B. Less elastic C. Perfectly inelastic D. More elastic
3	Expenditures of repair of machines are called	A. Unproductive expenditures B. Productive expenditures C. Rewards D. Depreciation allowance
4	During inflation increase	A. Exports B. Savings C. Consumption D. Inequality of income
5	The factor of production which is used to produce more wealth or increase income is called	A. Land B. Labour C. Capital D. Organization
6	Study of large aggregated of economic system is called	A. Micro economics B. Macro economics C. Applied economics D. All the three
7	All the factors of production can be hired except	A. Land B. Labour C. Capital D. Organization
8	If the rate of tax increase with the increase of level of income, is called	A. Progressive tax B. Proportional tax C. Regressive tax D. Value added tax
9	Barter economy means the economy in which no good is generally accepted and goods are exchanged with goods. This definition is stated by the	A. Prof Marshall B. Stanley Fisher C. Culberon D. Walker
10	Usher is levied on	A. Cash amount B. Goats and sheep C. Trading goods D. Agricultural production
11	According to law of supply, supply curve moves from left to right upward, this tendency is called	A. Positive B. Negative C. Horizontal D. Vertical
12	Production which is produced with a particular combination of factors of production, is called	A. Total product B. Average product C. Marginal product D. Positive product
13	Balance of payments is annual statistical record of	A. Visible goods B. Invisible goods C. Foreign loans D. Visible and invisible goods
14	Laws which reflect religion of society	A. Economic laws B. State laws C. Scientific laws D. Moral laws
15	Long run average cost curve is:	A. Planning curve B. Envelope curve C. Flatter curve D. All of three

16	Phases of trade cycle are:	A. Three B. Four C. Five D. Six
17	If demand decreases by 5% 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	Gross national product means	A. Total of price of all goods produced in a country in year B. Total of price of all consumer goods produced in the economy during a year C. Total of goods and services produced in the economy during a year D. Total of monetary value of goods and services produced during a year in the economy
19	Saving deposits and time deposits of the banks, Govt. securities and shares of the companies are called	A. Token money B. Money of account C. Standard money D. Near money
20	Which law is applicable on production process under marginal productivity theory	A. Law of increasing return B. Law of constant return C. Law of decreasing return D. Law of decreasing cost
