# Principles of Economics Icom Part 1 English Medium Online Test

| Sr | Questions | Answers Choice |
|---|---|---|
| 1 | Utility of the last unit of a commodity consumed is called | A. Positive utility<br>B. Negative utility<br>C. Total utility<br>D. Marginal utility |
| 2 | The kind of market, in which a single firm produces a single commodity which has no close substitute | A. Monopoly<br>B. Duopoly<br>C. Oligopoly<br>D. Perfect competition |
| 3 | If the rate of change in price and quantity demand is in equal ratio, then Elasticity of demand is: | A. Equal to zero<br>B. Equal to one<br>C. Smaller than one<br>D. Greater than one |
| 4 | According to which economist, utility is measureable | A. Marshall<br>B. Adam smith<br>C. Robbins<br>D. Keynes |
| 5 | If elasticity of supply is less than unity then extending supply curve downward, it passes through or crosses | A. y-axis<br>B. x-axis<br>C. Point of origin<br>D. Becomes vertical |
| 6 | During inflation increase | A. Exports<br>B. Savings<br>C. Consumption<br>D. Inequality of income |
| 7 | When total production decreases, marginal product is: | A. Positive<br>B. Negative<br>C. Zero<br>D. Infinite |
| 8 | By increasing the cost of production, the supply | A. Extends<br>B. contracts<br>C. Falls<br>D. Rises |
| 9 | Who wrote the book named "An enquiry into the nature and causes of the wealth of nations ? | A. Adam Smith<br>B. Marshall<br>C. Robbins<br>D. Canon |
| 10 | Advantages of international trade are | A. One<br>B. Two<br>C. Three<br>D. Many |
| 11 | Quantity theory of money was criticized by: | A. Marshall<br>B. Sameulson<br>C. Keynes<br>D. Both b and c |
| 12 | If supply rises more proportionately than that of demand, then | A. Equilibrium price increases<br>B. Equilibrium price decreases<br>C. Equilibrium price does not change<br>D. Equilibrium quantity decreases |
| 13 | Due to rise in demand, demand curve shifts to | A. Right<br>B. Left<br>C. Both sides<br>D. None of these |
| 14 | Quantity of a commodity offered for sale in a market at a certain price during a given period of time, is called | A. Stock<br>B. Demand<br>C. Supply<br>D. Quantity demanded |
| 15 | A firm is in equilibrium, where: | A. AR = MR<br>B. AC = MC<br>C. AC = MR<br>D. MC = MR |

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| 16 | Inflation will be useful for | A. Labourers<br>B. Consumers<br>C. Penioners<br>D. Industrialist |
| 17 | Id demand changes by less than 10% due to 10% change in price, then elasticity of demand is called | A. Equal to unity<br>B. More than unity<br>C. Less than unity<br>D. Infinite |
| 18 | The first great depression was appeared in: | A. 1934<br>B. 1930<br>C. 1932<br>D. 1936 |
| 19 | Ceteris paribus means: | A. Other things remain the same<br>B. Assumptions of the law<br>C. Conditions of the law<br>D. All of them |
| 20 | Which economist said that abundance of definitions has pressed the neck of economics | A. Adam Smith<br>B. Robbins<br>C. Keynes<br>D. Pigou |