

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Comparative cost theory was presented by	A. Marshall B. Ricardo C. Hecksher D. Ohlin
2	The best definition of money is stated by	A. Marhsall B. Crowther C. Keynes D. Walker
3	When supply increases due to other factors besides price, it is called	A. Extension of supply B. Contraction of supply C. Rise of supply D. Fall of supply
4	By increasing the cost of production, the supply	A. Extends B. contracts C. Falls D. Rises
5	Which factor combines other three factors ?	A. Land B. Labour C. Capital D. Organization
6	Comparative cost theory is also called	A. Theory of comparison cost B. Theory of specialization of cost C. Theory of balanced cost D. Theory of specialization of production
7	Other things remaining the same, marginal utility of a commodity diminishes with its continuous consumption. This law is called	A. Law of diminishing marginal utility B. Law of equi marginal utility C. Law of demand D. Law of decreasing return
8	With an increase in the price of any good its substitutes will have	A. a fall in its price B. an increase in its prices C. an increase in its demand D. a decrease in its price
9	If due to a very slight decrease in price, demand goes on increasing, elasticity of demand will be	A. More than unity B. Less than unity C. Infinite D. Zero
10	The goods on which law of demand does not apply, are called	A. Services B. Goods and services C. Giffin goods D. Capital goods
11	Who is the Founder of macro economics ?	A. Marshall B. Malthus C. Adam smith D. Keynes
12	Public finance and private finance are of each other	A. Opposite B. Synonymous C. Similar & different D. None of three
13	Production of an additional unit of factor refers to:	A. AP B. TP C. MP D. MR
14	Law of decreasing return is also known as:	A. Increasing cost B. Constant cost C. Diminishing cost D. Both (a) and (c)
15	If demand does not change, then due to fall of supply	A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium quantity increases

16	When average cost curve is falling, then marginal cost curve	A. Remains below it B. Remains above it C. Remains parallel to it D. Is vertical
17	In macro economics, what kind of problems can be discussed	A. International trade B. Consumers behavior C. Problems of a firm D. Determination of price
18	Which one is immobile factor ?	A. Land B. Labour C. Capital D. Organization
19	The sector of production, in which nature plays more role, there is applicable	A. Law of increasing return B. Law of constant return C. Law of decreasing return D. Law of decreasing cost
20	"The study of nature and principles of government expenditures and revenue is called public finance" This definition is stated by	A. Bastable B. Armitage Smith C. Ricardo D. Robbins