

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Under increasing return, the slope of marginal product curve is	A. Positive B. Negative C. Infinite D. Zero
2	Inductive method represents:	A. General to particular B. Particular to general C. Normative science D. Economic planning
3	According to classical theory of international trade, a country imports those goods from the other country which	A. Are durable B. Are standardised C. Are produced comparatively at high cost D. Are not produced in that country
4	One condition which is not included in perfect competition conditions	A. Homogeneity of product B. Difference in price C. Large number of buyers and sellers D. Perfect knowledge of the market
5	Phases of a trade cycle are	A. Two B. Three C. Four D. Five
6	Consumer's behaviour means:	A. Selection B. Purchase C. Sale D. Both (a) and (b)
7	If supply decreases due to decrease in price, it is called	A. Extension of supply B. Contraction of supply C. Rise of supply D. Fall of supply
8	Deductive method of economic study.	A. Systematic B. General to particular C. Universal to particular D. Both (b) and (c)
9	Equilibrium price is determined in.	A. Perfect market B. Imperfect market C. Monopoly D. None of these
10	If $MC=MR=AC=P$, then a firm gains:	A. Super profit B. Normal profit C. Normal loss D. Abnormal loss
11	According to law of demand, curve moves from left to right downward. This type of tendency is called	A. Positive tendency B. Negative tendency C. Extension and contraction of demand D. Rise and fall of demand
12	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
13	Which one of the following was the difficulty of barter system	A. Abundance of goods B. Lack of double coincidence of wants C. Difference of language D. Difference of occupations
14	According to which economist some trade cycles complete their cycle during a period of fifty years or sixty years	A. Prof Kitchen B. Prof Juglar C. Prof Pigou D. Prof Kondratieff

15	Which one is comparatively the most important factor ?	A. Land B. Labour C. Capital D. Organization
16	In which phase of a trade cycle production, employment, wages and rate of interest etc start rising gradually	A. Boom B. Depression C. Recovery D. Recession
17	Inconvertible paper money is issued by	A. Central bank B. Commercial bank C. Industrial bank D. Central government
18	Method of measuring national income	A. National income=Gross national product - depreciation allowance B. National income= Net national product - Indirect costs C. National income= Net national product + subsidies D. National income= Net national product - indirect taxes + subsidies
19	In case of horizontal supply curve, Es is:	A. More than unity B. Less than unity C. Zero D. Infinite
20	Usher is levied on	A. Cash amount B. Goats and sheep C. Trading goods D. Agricultural production
