Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	If income of government is less than its expenditures, then it is a	A. Surplus budget B. Deficit budget C. Development budget D. Balanced budget
2	Movement on the same demand curve is called:	A. Increase is demand B. Rise and fall in demand C. Decrease in demand D. Expansions and contraction in demand
3	If 50% change in demand in reposne of 50% change in price then:	A. Elasticity of demand = 1 B. Elasticity of demand < 1 C. Elasticity of demand > 1 D. Elasticity of demand = 0
4	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
5	Nature of inter-relationship of average revenue and marginal revenue under perfect competition is	A. Average revenue remains more than marginal revenue B. Average revenue remains less than marginal revenue C. Marginal revenue remains less than average revenue D. Average revenue remains equal to marginal revenue
6	Transfer payment means:	A. Rent transfer B. Wages transfer C. Reward without services D. Profit transfer
7	According to Neo Classical economists, Economics is science of	A. Scarcity of means B. Material welfare C. Wealth D. Unlimited wants
8	Under monopoly, the slope of MR curve is:	A. Twice the slope of AR curve B. Less than the slope of AR curve C. Greater than the slope of AR curve D. Half the slope of AR curve
9	If the most part of total supply of commodity is produced by one firm, it is called	A. Oligopoly B. Monopoly C. Perfect competition D. Monopolistic competition
10	Marginal revenue product curve is called	A. Demand curve of the firm B. Supply curve of the firm C. Demand curve of the industry D. Supply curve of industry
11	How many kinds are of positive economics	A. Two B. Three C. Four D. Five
12	Which is the Demand Curve of a frim	A. Average Revenue Curve B. Marginal Revenue Curve C. Total Revenue Curve D. Average cost curve
13	The tax which is levied on the sale of goods is called	A. Income tax B. Property tax C. Gift tax D. Sales tax
14	Second factor of production is	A. Land B. Labour C. Capital

		D. Organization
15	If quantity demanded for a commodity changes due to the change in income, it is called	A. Price elasticity B. Point elasticity C. Cross elasticity D. Income elasticity
16	When average product decreases, marginal product	A. Increases B. Is zero C. Is equal to average product D. Is less than average product
17	Economic problem arises due to:	A. Unlimited wants B. Limited resources C. Resources have alternative use D. All of them
18	Which is not included in variable cost	A. price of raw material B. Advertisement expenditures C. rent of builiding D. wages of labour
19	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
20	One of the following is not disadvantage of international trade	A. Dependence on production of limited goods B. Supply of goods injurious to health C. Bitter pill for political freedom D. Development of civilization & culture