

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	In law of increasing cost, marginal cost	A. Increases B. Decreases C. Remains constant D. Remains fixed
2	Founder of modern school of thought:	A. Adam smith B. Marshall C. Ricardo D. Robbins
3	If the income and expenditures of the government are equal, such budget is called	A. Surplus budget B. Deficit budget C. Balanced budget D. Capital budget
4	If income of government is more than its expenditures, then it is a	A. Surplus budget B. Deficit budget C. Development budget D. Balanced budget
5	Study of small units of an economic system is called	A. Micro economics B. Macro economics C. Applied economics D. All the three
6	According to Pigou national income is that part of material wealth	A. Which can be stored easily B. Which can be measured by the scale of money C. Which have volume and surrounds D. Which is exported
7	When supply changes due to other factors besides price, it is called	A. Rise of supply B. Fall of supply C. Rise and fall of supply D. Extension and contraction of supply
8	If the total expenditure of the consumer does not change due to increase or decrease (change) in price, then nature of elasticity of demand will be	A. Equal to unity B. Less than unity C. More than unity D. Elasticity of demand = zero
9	With the increase of output, which cost of production increases:	A. VC B. AC C. FC D. MC
10	Private individuals are not allowed to fulfill their needs	A. To get loans from the friends B. To get financial help from the relatives C. To get loans from the domestic financial institutions D. To print notes
11	Transfer payments are included in	A. Gross domestic income B. National income C. Disposable personal income D. Personal income
12	If the face value of a coin is greater than the value of metal used in:	A. Legal money B. Token money C. Standard money D. Both b and c
13	Relationship between price and quantity demanded is called	A. Demand schedule B. Demand curve C. Law of demand D. Assumptions of law of demand
14	Immortal factor production is	A. Land B. Labour C. Capital D. Organization

15	Income received without any economic services:	A. National Income B. Transfer payments C. Interest D. Profit
16	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
17	Which phase starts with the increase in expected rate of profit	A. Depression B. Recovery C. Boom D. Recession
18	In which phase of Frade cycle level of employment and income becomes very low.	A. Depression B. Recovery C. Recession D. Boom
19	If demand decreases by 10% 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
20	One of the following is not included in the branches of public finance	A. Public revenue B. Welfare of the people C. Public expenditure D. Public debt