

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	kinds of money are	A. Three B. Four C. Five D. Seven
2	If demand changes by more than 10% due to 10% change in price, then elasticity of demand is called	A. Equal to unity B. More than unity C. Less than unity D. Infinite
3	Firms equilibrium is at that point where	A. MC=AR B. MC=MR C. MC=AVC D. MC=AC
4	If the equation is this, MC=MR-AR(P)=AC, then the firm	A. Earns normal profit B. Earns abnormal profit C. Bears minimum loss D. Bears abnormal loss
5	Which one of the following is indirect tax	A. Income tax B. Property tax C. Wealth tax D. Sales tax
6	If supply does not change, then due to rise of demand	A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium price does not change D. Equilibrium quantity decreases
7	The tax whose burden can be shifted to the customers, is called	A. Proportional tax B. Progressive tax C. Direct tax D. Indirect tax
8	Walker, senior and Malthus belonged to school of thought	A. Classical B. Neo classical C. Keynesian D. None of these
9	The concept of utility is:	A. Subjective B. Moral C. Objective D. Neutral
10	Price is determined under perfect competition	A. By sellers B. By buyers C. By government D. By forces of demand and supply
11	" International balance of payment is all that transaction for which either foreign exchange is spent or received." This definition is stated by	A. Prof. Marshal B. Prof.Samuelson C. Prof. Ricardo D. Prof. Hicks
12	One of the following is not included in the characteristics of land	A. Land is a gift of nature B. All the pieces of land are not equal infertility C. Productive capacity of land is limited D. Supply of land is unlimited
13	Economics according to its scope is:	A. Science B. Art C. Science & Amp; Art D. Only positive science
14	Concept of law of diminishing marginal utility was presented by professor	A. Marshall B. Robbins C. Keynes D. Pigou
15	Some inferior goods having expensive substitutes are known as:	A. Economic goods B. Giffen goods C. Non-economic goods

		D. Free goods
16	Founder of modern school of thought:	A. Adam smith B. Marshall C. Ricardo D. Robbins
17	Oligopoly means:	A. Single seller B. Two seller C. Multiple sellers D. Multiple buyers
18	Wages of permanent labourers are:	A. Fixed cost B. Marginal cost C. Total cost D. Variable cost
19	Founder of new classical school of thought was	A. Adam smith B. Marshall C. Robbins D. Keynes
20	When Demand > Supply it will be:	A. Shortage B. Less supply C. More demand D. Surplus