

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	If demand is not influenced by the changes in price, elasticity of demand will be	A. Equal to unity B. More than unity C. Less than unity D. Zero
2	Supply means	A. total money of a specific producer B. Number of buyers C. quantity of goods offered for sale at different prices D. purchasing power of quantity supplied
3	The term marginal in economics means:	A. An additional unit B. Change in unit C. Last unit D. All of them
4	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
5	According to the law of supply, there is relation in price and supply	A. Inverse B. Increasing C. Negative D. indirect
6	Laws which reflect religion of society	A. Economic laws B. State laws C. Scientific laws D. Moral laws
7	Economics according to its scope is:	A. Science B. Art C. Science & Art D. Only positive science
8	Psychological theory of trade cycles is presented by	A. Prof Jevons B. Prof Pigou and Bagehot C. Prof Keynes D. Prof Hawtrey
9	Who did write the book named "An enquiry into the nature and causes of the wealth of nations"	A. Adam smith B. Marshall C. Robbins D. Canon
10	The revenue collection of government and spending policy is called	A. Monetary policy B. Fiscal policy C. commercial policy D. Labour policy
11	If demand for commodity X changes due to the change in price of commodity, it is called	A. Cross elasticity B. Price elasticity C. Income elasticity D. Arc elasticity
12	If two goods are substitute, cross Elasticity of demand will be:	A. Zero B. Infinite C. Positive D. Negative
13	If total expenditure of the consumer increases due to decrease 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
14	One of the following is not the cause of inflation	A. Increase in quantity of money B. Increase in demand for goods C. Increase in supply of goods D. Increase in cost of production
15	Cause of shifting of supply curve is	A. Change in price B. Other factors C. Change in tax

		D. Change in income
16	Total utility is maximum when marginal utility is	A. Positive B. Negative C. Zero D. Minimum
17	During the phase of boom level of income and employment is	A. Increasing B. Decreasing C. Highest D. Lowest
18	Monopoly refers to:	A. Single buyer B. Single seller C. Single producer D. Both b and c
19	During inflation prices are	A. Zero B. Low C. Increase D. Constant
20	Which is the Demand Curve of a firm	A. Average Revenue Curve B. Marginal Revenue Curve C. Total Revenue Curve D. Average cost curve