

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	First and basic law of consumption is	A. Law of demand B. Law of decreasing return C. Law of supply D. Law of diminishing marginal utility
2	Other name of law of equi marginal utility is	A. Law of diminishing marginal utility B. Law of demand C. Law of constant return D. Law of indifference
3	Money which can be converted into cash money is known is:	A. Near money B. Paper money C. Legal tender money D. Token money
4	Transfer payments are included in the income	A. National income B. Gross domestic product C. Personal income D. Disposable personal income
5	Which characteristic is not found in economic laws	A. Not quantitative B. Cannot be predicted C. No punishment in case of going against law D. Definite and universal
6	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
7	When average product is maximum, marginal product is	A. Equal to average product B. More than average product C. Less than average product D. Zero
8	Founder of neo-classical school of thought:	A. Adam Smith B. Marshall C. Robbins D. Keynes
9	In which phase of a trade cycle national product, wages, prices and profits reach at their peak	A. Recovery B. Boom C. Recession D. Depression
10	If demand does not change, then due to rise of supply	A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium price does not change D. Equilibrium quantity decreases
11	Finance minister in order to increase the public revenue imposes the tax on the commodities whose demand is more elastic	A. At low rate B. At high rate C. Some times decreases the rate and some times increases D. Does not change Tax rate
12	The quantity of commodity which exists in warehouse (stock) of the seller is called	A. <div>Supply</div> <div> </div> B. Demand C. Stock D. All of these
13	In a production process, when units of variable factors along with the fixed factor of production are increased, marginal cost remains the same, this tendency in economics is called	A. Law of decreasing cost B. Law of constant cost C. Law of increasing cost D. Law of decreasing return
14	Fourth factor of production is called	A. Land B. Labour C. Capital D. Organization
15	Theory of innovations was presented by:	A. Joseph Schumpeter B. Habson Foster C. Jevons

		D. J.R Hicks
6	During depression, increases	A. Unemployment B. Employment C. Profit D. Production
7	A textile mill produces 2000 meters cloth. Entrepreneur offers 1500 meters cloth to sell at price Rs 100 per meter and 500 meters cloth keeps with him. Cloth kept by the entrepreneur is called	A. Total production B. Supply C. Stock D. Surplus production
18	If the demand for commodity being produced increases, then a firm in the short run its variable factors	A. Increases B. Decreases C. Keeps the same D. None of three
9	According to law of diminishing marginal utility, marginal utility of a commodity	A. Increases B. Decreases C. Remains constant D. Become negative
20	Supply of perishable goods is	A. More elastic B. less elastic C. Perfectly inelastic D. infinite elasticity of supply