

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	In which phase of a trade cycle level of employment and income become very low	A. Depression B. Recovery C. Boom D. Recession
2	Price discrimination policy refers to:	A. Single price B. Two prices C. Multiple prices D. None of these
3	Law of decreasing return is immediately applied on	A. Agriculture B. Trade C. Industry D. Construction
4	The record of visible and invisible items on international account is called	A. Balance of payment B. Balance of trade C. Balance of budget D. Capital account
5	Average revenue is equal to	A. Price B. Total revenue C. Marginal revenue D. Average cost
6	Wealth tax, income tax, property tax etc are	A. Direct taxes B. Indirect taxes C. Proportional taxes D. Progressive taxes
7	In order to satisfy some wants, more than one commodities are needed. Demand for such commodities is called	A. Joint demand B. Composite demand C. Derived demand D. Direct demand
8	Short run cost curves are generally	A. flatter B. u shaped C. saucer shaped D. oval
9	In short average cost curve is:	A. Saucer shaped B. Negative slope C. U shaped D. Flatter
10	Which law is applicable when human and natural forces are balance ?	A. Increasing cost B. Constant cost C. Diminishing cost D. Both (a) and (c)
11	The supply curve of Fish is	A. More elastic B. Less elastic C. Inelastic D. Infinite elastic
12	In the long run firms mostly earn normal profit in:	A. Perfect competition B. Oligopoly C. Monopoly D. Duopoly
13	Who said that utility cannot be measured	A. Adam smith B. Marshall C. Keynes D. Hicks
14	The demand curve for monopolist is also called	A. Total revenue B. Average revenue C. Marginal revenue D. Zero revenue
15	Speed of increase in total revenue remains equal with the increase in output	A. Under monopoly B. Under oligopoly C. Under perfect competition D. Under pure competition

16	National Income is also known as:	A. National product B. Total expenditure C. Total population D. Both a and b
17	If the rate of tax increase with the increase of level of income, is called	A. Progressive tax B. Proportional tax C. Regressive tax D. Value added tax
18	Laws of return are	A. Two B. Three C. Four D. Five
19	Depreciation means:	A. Wear and Tear B. Reduction in value C. Decrease in value D. All of these
20	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