

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	"Money is a thing by which payments of agreements of borrowing and pricing are made and general purchasing power is stored in it." This definition of money is stated by the economist	A. Prof Marshall B. Prof Walker C. Prof Keynes D. Prof Crowther
2	Utility can not be measurable who has said	A. Marshall B. Hicks C. Pigue D. Adam Smith
3	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
4	In law of decreasing cost, marginal cost	A. Increases B. Decreases C. Remains constant D. Does not change
5	Relationship of level of prices and quantity of money	A. Positive B. Negative C. Indirect D. 2nd and 3rd both
6	One of the following is not the monetary measure to control inflation	A. Increase in bank rate B. Open market operation C. Increase in the ratio of reserve capital of the banks D. Increase in taxes
7	Marginal revenue product is the amount of money attained by selling:	A. Average product B. Marginal product C. Total product D. Total cost
8	Disposable personal income is equal to	A. Personal income + direct taxes B. Personal income + indirect taxes C. Personal income + direct and indirect taxes D. Personal income - direct taxes
9	Equilibrium of national income is, when	A. S > 1 B. S = 1 C. S < 1 D. S and 1
10	In mathematics, symbol for utility is used	A. U B. M C. X D. Y
11	The costs which a firm bear only in case of producing commodities	A. Fixed costs B. Variable costs C. Total costs D. Average fixed cost
12	Cause of movement along the supply curve is	A. Change in price B. Other factors C. Change in tax D. Change in income
13	If the rate of change in price and quantity demand is in equal ratio, then Elasticity of demand is:	A. Equal to zero B. Equal to one C. Smaller than one D. Greater than one
14	Private individuals are not allowed to fullfil 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
		A. Sold in market

15	Stock means the quantity:	B. Which is offered for sale C. Which exist in warehouse D. Of total production
16	If supply of a commodity changes by 10% due to 10% change in its price, then elasticity of supply will be	A. Equal to unity B. More than unity C. Less than unity D. Zero
17	Production which is produced with a particular combination of factors of production, is called	A. Total product B. Average product C. Marginal product D. Positive product
18	The term marginal in economics means:	A. An additional unit B. Change in unit C. Last unit D. All of them
19	The second name of law of decreasing return is	A. Law of increasing cost B. Law of constant cost C. Law of decreasing cost D. Law of cost
20	When total revenue is maximum, marginal revenue is	A. More B. Less C. Constant D. Zero