

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Study of large units of the economy is known as:	A. Micro economics B. Macro economics C. Applied economics D. All of them
2	Which is considered as a transfer payment	A. wages B. salaries C. prices D. unemployment allowances
3	Perfectly inelastic supply curve is:	A. Vertical B. Rise upward C. Horizontal D. Fall downward
4	When supply decreases due to fall in price, it is called:	A. Fall in supply B. Contraction in supply C. Expansion in supply D. Rise in supply
5	The demand curve for monopolist is also called	A. Total revenue B. Average revenue C. Marginal revenue D. Zero revenue
6	In law of increasing cost, marginal cost	A. Increases B. Decreases C. Remains constant D. Remains fixed
7	Another name of unitary method is	A. Total satisfaction method B. Total expenditure method C. Total revenue method D. Both 2nd and 3rd
8	"Public finance is that branch of economics which studies the revenue and expenditures of governments institutions, their inter-relationship and financial administration" This definition is stated by	A. Bastable B. Armitage Smith C. Marshall D. Pigou
9	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
10	To derive economic laws inductive method was adopted by	A. Classical school of thought B. Neo classical school of thought C. Historical school of thought D. Modern school of thought
11	Economics is a science which studies.	A. Production of wealth only B. Consumption of wealth only C. Optimum use of scarce resources D. Welfare only
12	One of the following is considered as capital:	A. Land B. Labour C. Raw material D. Both (a) and (b)
13	The price of non-economic want is always:	A. Very high B. Very Low C. Negative D. Zero
14	The factor of production which is result of human struggle.	A. Land B. Labour C. Capital D. Organization
15	In law of constant return, marginal product	A. Increases B. Decreases C. Remains constant D. Remains changing

16	Total product decreases, when marginal product is	A. Positive B. Negative C. Zero D. None of these
17	Marginal revenue product curve is called	A. Demand curve of firm B. Supply curve of firm C. Demand curve of industry D. Supply curve of industry
18	According to law of supply which factor changes the supply	A. cost of producton B. price C. climatic conditions D. level of income
19	Saving deposits and time deposits of the banks, Govt. securities and shares of the companies are called	A. Token money B. Money of account C. Standard money D. Near money
20	Cost of a firm on the optimum combination of factors of production is	A. Minimum B. Maximum C. Reasonable D. Positive
