

## Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	If $MC=MR=AR=AC=P$ , then a firms gains:	A. Super profit B. Normal profit C. Normal loss D. Abnormal loss
2	Cause of movement along the supply curve is	A. Change in price B. Other factors C. Change in tax D. Change in income
3	When marginal utility is negative, total utility:	A. Decreases B. Increases C. Does not change D. Negative
4	Founder of Classical school of thought was:	A. Adam smith B. Marshall C. Robbins D. Keynes
5	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
6	According to Pigou national income is that part of material wealth	A. Which can be stored easily B. Which can be measured by the scale of money C. Which have volume and surrounds D. Which is exported
7	Want of a commodity is satisfied, when its marginal utility is	A. Positive B. Zero C. Negative D. Minimum
8	In which phase of a trade cycle level of employment and income become very low	A. Depression B. Recovery C. Boom D. Recession
9	Price of perishable goods is determined in:	A. Very short period B. Very long period C. Day to Day D. Both (a) and (c)
10	First law of consumption is known as:	A. Law of supply B. Law of demand C. Law of diminishing marginal utility D. Law of equi marginal utility
11	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
12	Marginal productivity theory was presented by:	A. Pigou and Cannon B. Adam Smith and F.A. Walker C. Keynes and Semeulson D. Marshall and J.B. Clark
13	Marginal revenue product is the amount of money attained by selling	A. Average product B. Marginal product C. Total product D. None of these
14	Supply of the one of the following is not fixed:	A. Vegetable B. Fruit C. Milk D. Motor bike
		A. Two

15	Methods for measurement of national income are:	B. Three C. Four D. Five
16	The second name of law of increasing return is	A. Law of cost B. Law of increasing cost C. Law of decreasing cost D. Law of constant cost
17	If every person pays tax according to his capacity, it is called	A. Canon of certainty B. Canon of equality C. Canon of productivity D. Canon of convenience
18	"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
19	Which law is applied when marginal utilities of all the purchased goods become equal to each other	A. Law of diminishing marginal utility B. Law of equi marginal utility C. Law of demand D. Law of increasing return
20	Income elasticity of demand is concerned with	A. Income and consumption of wealth B. Income and demand for good C. Price and income of the consumer D. Price and demand for good