

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Quantity of a commodity which is offered for sale in a market is called:	A. Trade B. Supply C. Demand D. Stock
2	When average product increases, marginal product is:	A. Also increases B. Decreases C. Zero D. Negative
3	Prof Fisher presented quantity theory of money in the form of an equation in	A. 1905 B. 1911 C. 1915 D. 1917
4	MPP stand is	A. Marginal price product B. Marginal Physical Product C. Marginal Physical Price D. Marginal Perfect Price
5	If price of a commodity constant but its supply increases or price decreases but supply remains constant, it is called	A. Rise of supply B. Fall of supply C. Extension of supply D. Contraction of supply
6	When supply increases due to other factors besides price, it is called	A. Extension of supply B. Contraction of supply C. Rise of supply D. Fall of supply
7	Under constant return, the slope of marginal product curve is	A. Positive B. Negative C. Infinite D. Zero
8	Laws of returns are also known as:	A. Laws of substitution B. Laws of consumption C. Laws of cost D. All of three
9	How many are kinds of economics	A. Two B. Three C. Four D. Five
10	The money whose face value and intrinsic value are different	A. Token money B. Standard money C. Legal money D. Near money
11	Market price will be determined where	A. Supply is more than demand B. Demand is more than supply C. Demand and supply are equal D. Demand is less elastic and supply is more elastic
12	Firm earns abnormal profit, when	A. $AC=AR$ B. $AR > AC$ C. $AR < AC$ D. $AC=MC$
13	Reward of capital is called	A. Rent B. Wage C. Interest D. Profit
14	Law of decreasing return is also known as:	A. Increasing cost B. Constant cost C. Diminishing cost D. Both (a) and (c)
15	State laws are of	A. Regional nature B. Country nature C. International nature

D. Non of three

16 Zakat can not be given

A. to get slaves free
B. To the collection of zakat
C. For the construction of Mosque
D. The converts

17 Modern theory trade cycle was presented by:

A. Hawtrey
B. Habson Foster
C. Jevons
D. J.R Hicks

18 During depression, increases

A. Unemployment
B. Employment
C. Profit
D. Production

19 Who wrote the book named "An enquiry into the nature and causes of the wealth of nations ?

A. Adam Smith
B. Marshall
C. Robbins
D. Canon

20 If supply curve is vertical (parallel to y-axis), then elasticity of supply is

A. Zero
B. Infinite
C. Equal to unity
D. More than unity
