

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Capital goods are those which can satisfy human wants:	A. Directly B. Indirectly C. Proportionate D. None of these
2	If 50% change in demand in response of 30% change in price then:	A. Elasticity of demand = 1 B. Elasticity of demand < 1 C. Elasticity of demand > 1 D. Elasticity of demand = 0
3	In which phase of Trade cycle level of employment and income becomes very low.	A. Depression B. Recovery C. Recession D. Boom
4	Which factor combines other three factors ?	A. Land B. Labour C. Capital D. Organization
5	"General theory of employment, interest and money" was written in:	A. 1930 B. 1936 C. 1932 D. 1890
6	According to Marshall, Economics is	A. Social Science B. Correcting science C. Positive science D. Moral science
7	Shut down point appears, when	A. $AVC=AR$ B. $AVC > AR$ C. $AVC < AR$ D. $AC=AR$
8	Demand for basic necessities of life is:	A. Perfectly elastic B. Less elastic C. Perfectly inelastic D. More elastic
9	Some inferior goods having expensive substitutes are known as:	A. Economic goods B. Giffen goods C. Non-economic goods D. Free goods
10	If demand for a commodity changes due to change in price of its substitute, it is called	A. Price elasticity B. Point elasticity C. Cross elasticity D. Arc elasticity
11	The salient features of trade cycle are:	A. National in nature B. International in nature C. Domestic in nature D. All of these
12	Price is determined under perfect competition	A. By sellers B. By buyers C. By government D. By forces of demand and supply
13	When supply increases due to rise price, it is called:	A. Fall in supply B. Contraction in supply C. Expansion in supply D. Rise in supply
14	The average duration of trade cycle is:	A. Five years B. Fifty years C. Twenty years D. Ten years
15	In comparative cost or comparative advantage theory, ratio is	A. 1×1 one good one country B. 2×2 two goods two countries C. 1×2 one good two countries D. 2×1 two goods one country

16	Who said that economics is science of unlimited wants and limited means	A. Adam Smith B. Marshall C. Pigou D. Robbins
17	Wages of temporary labourers are:	A. Fixed cost B. Marginal cost C. Total cost D. Variable cost
18	What is money	A. Coins of gold and silver B. Paper money C. Agricultural crops D. Everything which can be used as a medium of exchange
19	In mathematics, symbol for utility is used	A. U B. M C. X D. Y
20	What is meant by demand for a commodity in economics	A. To desire for a commodity B. To have power to buy C. To have power to buy a commodity with desire D. Quantity of a commodity
