

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

Sr	Questions	Answers Choice
1	Study of small units of the economoy is known is:	A. Micro economics     B. Macro economics     C. Applied economics     D. All of them
2	Equilibrium price is determined in.	A. Perfect market B. Imperfect market C. Monopoly D. None of these
3	Economic point of view of the supporters of which school of thought is the name of feeling and mental state	A. Classical B. Neo classical C. Ancient D. Modern
4	In law of constant return, marginal product	A. Increases B. Decreases C. Remains constant D. Remains changing
5	If two goods are complimentary, cross Elasticity of demand will be:	A. Zero B. Infinite C. Positive D. Negative
6	If demand decreases by 15% due to 10% increase in Price, then elasticity of demand is	A. Equal to unity B. More than unity C. Less than unity D. Zero
7	Which is not studied in macro economics ?	A. National income B. Money and banking C. Consumer's behavior D. Public finance
8	In which phase of a trade cycle production, employment, wages and rate of interest etc start rising gradually	A. Boom B. Depression C. Recovery D. Recession
9	The period in which an economy comes back from prosperity to depression is called	A. Recovery B. Recession C. Boom D. Depression
10	With an increase in the price of any good its substitutes will have	A. a fall in its price B. an increase in its prices C. an increase in its demand D. a decrease in its price
11	If same amount of good is supplied at higher price, it is called	A. Expansion of supply B. Contraction of supply C. Fall in supply D. Rise in supply
12	During the phase of recession prices of goods	A. Start rising B. Start falling C. are highest D. are lowest
13	When demand curve shifts rightward (or upward), it is called	A. Rise of demand B. Fall of demand C. Extension of demand D. Contraction of demand
14	If the ratio of change in demand is equal to the ratio of change in price, elasticity of demand will be	A. More than unity B. Less than unity C. Equal to unity D. Infinite
15	The science in which conditions and incidents are checked from a particular point of view, is called	A. Positive science B. Normative science C. Social science D. All of three

16	All factors of production are variable in the:	A. Market period B. Long period C. Short period D. All of these
17	In the market period supply is:	A. Variable B. Fixed C. Zero D. Positive
18	Law of decreasing return is immediately applied on	A. Agriculture B. Trade C. Industry D. Construction
19	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 suppl is more elastic
20	Equilibrium level of national income means that point where	A. Consumption = saving B. Consumption = investment C. Income = saving + investment D. Saving = Investment