

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

Sr	Questions	Answers Choice
1	The subject matter of Macro Economics is	A. Consumer's behavior B. International trade C. Firm's behavior D. Price mechanism
2	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
3	The term marginal in economics means:	A. An additional unit B. Change in unit C. Last unit D. All of them
4	When production of a firm increases then total variable costs	A. Decrease B. Increase C. Remain constant D. Do not change
5	Absolute advantage theory was presented by	A. Adam Smith B. Prof Walker C. Ricardo D. Marshall
6	Which statement is called subject matter of economics	A. Problems of working individuals and their solution B. Planning of increase in production C. Unlimited wants and limited means D. Solution of problems of the individuals living away from the society
7	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
8	Factor of production which is used to earn more income, is called	A. Land B. Labour C. Capital D. Organization
9	Which combination of the following is of joint demand	A. Tea and coffee B. Petrol and car C. Meat and grocery D. Inkpot and book
10	Which one is comparatively the most important factor ?	A. Land B. Labour C. Capital D. Organization
11	In law of increasing cost, marginal cost	A. Increases B. Decreases C. Remains constant D. Remains fixed
12	Quantity theory of money in the form of an equation was presented by	A. Prof Fisher B. Prof Taussig C. Prof Marshall D. Prof Renald
13	According to comparative cost theory conditions ----- in goods and labour market exist	A. of monopoly B. of duopoly C. Monopolistic competition D. of perfect competition
14	If we deduct direct taxes from personal income, we get:	A. NNP B. GDP C. DPI D. PI

15	If supply does not change despite a change in price, then elasticity of supply is called	A. Equal to unity B. Less than unity C. More than unity D. Zero
16	If supply decreases due to decrease in price, it is called	A. Extension of supply B. Contraction of supply C. Rise of supply D. Fall of supply
17	Who did name Economics as the science of mammon worship and dismal science	A. Marshall B. Keynes C. John Ruskin & Carlyle D. Pigou
18	Laws of return are	A. Two B. Three C. Four D. Five
19	When demand for goods and services rises, then velocity of circulation of money	A. Increases B. Decreases C. Remains constant D. Does not change
20	In private finance the individuals estimate their income and expenditures	A. Daily B. Weekly C. Monthly D. Yearly