

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

Sr	Questions	Answers Choice
1	Other tern used for demand for factor is:	A. Initial demand B. derived demand C. Direct demand D. Cross demand
2	According to quantity theory of money doubling the quantity of money, prices	A. Increase B. Double C. Decrease D. One half
3	All the factors of production can be hired except	A. Land B. Labour C. Capital D. Organization
4	According to law of diminishing marginal utility, marginal utility of a commodity	A. Increases B. Decreases C. Remains constant D. Become negative
5	The difference between total revenue (TR) and total cost (TC) is called	A. Loss B. Profit C. Profit or loss D. Utility
6	Which one is not condition of perfect competition	A. Homogeneity of good B. Difference in price of good C. Large number of buyers and sellers D. Perfect knowledge of market
7	Annual rate of Zakat on cash and trading goods is	A. 2.0% B. 2,5% C. 3.0% D. 3.5%
8	No factor can take the place of any other factor, it is explained by	A. Law of decreasing return B. Law of constant return C. Law of increasing return D. Law of return
9	Causes of shifting in supply curve is:	A. Change in technique B. Change in cost C. Change in tax D. All of them
10	Dividing total fixed costs by the units of output, is attained	A. Average fixed cost B. Average variable cost C. Average cost D. Marginal cost
11	Reward of capital is called	A. Rent B. Wage C. Interest D. Profit
12	Propounder of economics was	A. Robbins B. Marshall C. Adam smith D. Keynes
13	Supply means	A. total money of a specific producer B. Number of buyers C. quantity of goods offered for sale at different prices D. purchasing power of quantity supplied
14	Production which is produced with a particular combination of factors of production, is called	A. Total product B. Average product C. Marginal product D. Positive product
		A. AC = AR

15	A firm suffers abnormal losse, when:	B. AVC = AR C. AVC &It AR D. AVC > AR
16	Which one is not included in macro economics	A. National income B. Employment C. Price D. Investment
17	Income received without any economic services:	A. National Income B. Transfer payments C. Interest D. Profit
18	Laws cannot be predicted	A. Scientific laws B. Moral laws C. Economic laws D. Natural laws
19	If quantity demanded for a commodity changes due to the change in income, it is called	A. Price elasticity B. Point elasticity C. Cross elasticity D. Income elasticity
20	According to classical theory of international trade, a country imports those goods from the other country which	A. Are durable B. Are standardised C. Are produced comparatively at high cost D. Are not produced in that country