

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

Sr	Questions	Answers Choice
1	One of the following is not the cause of deflation	A. Decrease in demand for goods B. Decrease in consumption C. Increase in quantity of money D. Increase in supply of goods
2	Who did give economics the status of positive science	A. Marshall B. Robbins C. Cannon D. Pareto
3	The second name of law of constant return is	A. Law of decreasing cost B. Law of increasing cost C. Law of cost D. Law of constant cost
4	Expenditures of repair of machines are called	A. Unproductive expenditures     B. Productive expenditures     C. Rewards     D. Depreciation allowance
5	The innovation theory of trade cycles was presented by	A. Hayek B. Hawtray C. Schumpeter D. Pigou
6	The percentage part of the agricultural produce is payable as Zakat which is irrigated by natural water	A. 5% B. 10% C. 15% D. 20%
7	Government needs public finance	A. For the defence of frontiers B. To maintain law and order in the country C. For the payment of salaries of government employees D. For the welfare of the people
8	Which law provides the base of law of demand	A. Law of supply B. Law of diminishing marginal utility C. Law of equi marginal utility D. Law of decreasing return
9	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
10	Equilibrium means	A. the condition that is not possible B. an unstable condition C. a condition that can change D. stable position
11	Which factor combines other three factors?	A. Land B. Labour C. Capital D. Organization
12	During inflation prices are	A. Zero B. Low C. Increase D. Constant
13	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
14	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 counti
15	Income received without any economic services:	A. National Income B. Transfer payments C. Interest D. Profit
16	The goods which are directly consumed by the human-being, are called	A. Consumer goods B. Capital goods C. Industrial goods D. None of the three
17	Elasticity of supply if perishable goods is	A. Equal to unity B. More than unity C. Less than unity D. Zero
18	In which of the following condition theory of international trade is presented	A. Monopoly B. Duopoly C. Monopolistic competition D. Perfect competition
19	If elasticity of supply is less than unity then extending supply curve downward, it passes through or crosses	A. y-axis B. x-axis C. Point of origin D. Becomes vertical
20	If the face value of a coin is equal to the value of metal used in:	A. Legal money B. Token money C. Standard money D. Both b and c