Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	If supply of a commodity changes by 10% due to 10% change in its price, then elasticity of supply will be	A. Equal to unity B. More than unity C. Less than unity D. Zero
2	In a production process, when units of variable factors along with the fixed factor of production are increased, marginal cost remains the same, this tendency in economics is called	A. Law of decreasing cost B. Law of constant cost C. Law of increasing cost D. Law of decreasing return
3	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
4	One of the following is non economic want:	A. Car B. Bike C. Fan D. Self respect
5	If we subtract direct taxes from personal income, we get	A. Net national income B. Net domestic income C. Disposable personal income D. Personal savings
6	During the phase of boom level of income and employment is	A. Increasing B. Decreasing C. Highest D. Lowest
7	Law of constant return is also known as:	A. Increasing cost B. Constant cost C. Diminishing cost D. Both (a) and (c)
8	Consumer's equilibrium takes place at that point where:	A. MU is negative B. MU is positve C. TU is maximum D. MU is maximum
9	Utility is related with	A. Usefulness B. Useless C. Necessities D. Desire
10	Tractor, harvester, thrasher etc are the examples of factor of production	A. Land B. Labour C. Capital D. Organization
11	If demand for commodity X changes due to the change in price of commodity, it is called	A. Cross elasticity B. Price elasticity C. Income elasticity D. Arc elasticity
12	If the equation is this, MC=MR-AR(P)=AC, then the firm	A. Earns normal profit B. Earns abnormal profit C. Bears minimum loss D. Bears abnormal loss
13	Which one of the following is included in balance of payment	A. Visible goods B. Invisible goods C. Visible & invisible goods D. Non material goods
14	The conditions which are essentially kept constant for the application of economic laws, are called	A. Changes B. Assumptions C. Limitations D. Theories
15	In monopoly, when total revenue of a firm is maximum, then its marginal revenue is	A. Maximum B. Minimum C. Zero

		D. Negative
16	Inflation can be controlled by:	A. Fiscal policy B. Monetary policy C. Trade policy D. Both a and b
17	Difficulties in barter system:	A. Lack of double coincidence of wants B. Lack of storing value C. Lack of common measure of value D. All of these
18	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
19	"The nature and significance of economic sciences" was written by:	A. Adam smith B. Marshall C. Robbins D. Canon
20	Which economist did present the concept of macro economics	A. Adam Smith B. Marshall C. Pigou D. Keynes