

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	When average product decreases, marginal product	A. Increases B. Is zero C. Is equal to average product D. Is less than average product
2	If demand changes by more than 10% due to 10% change in price, then elasticity of demand is called	A. Equal to unity B. More than unity C. Less than unity D. Infinite
3	In perfect competition number of firms is	A. One B. Two C. A few D. Large
4	Transfer payment means that income	A. Which can move from one place to order place i.g. money etc. B. Which is received without labour, e.g. Zakat, gift, pension etc C. Which is received after hardwork D. Which is received by exports
5	In which year the book named "Principles of Economics" was written	A. 1805 B. 1890 C. 1903 D. 1915
6	The trade transaction between the individuals of different areas of a country is called	A. Local trade B. Regional trade C. Domestic trade D. International trade
7	Demand for the goods which have different uses, is	A. More elastic B. Less elastic C. Infinity D. Zero elastic
8	Who does determine the reserve price	A. Buyer B. Seller C. Government D. District adminitration
9	If there are large number of firms in some particular industry, then situation is called	A. Perfect competition B. Imperfect competition C. Monopoly D. Monopolistic competition
10	According to neo classical approach, output is the function of:	A. Labour B. Capital C. Organization D. Both (a) and (b)
11	The main cause of using the Cheque as money is	A. They are proved as receipt B. Most of the people accept them C. Protection of money D. Easy in transportation
12	If everybody pays tax according to his financial position, it is said	A. canon of convenience B. canon of Equality C. canon of Economy D. canon of simplicity
13	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
14	If demand falls more proportionately then that of supply then	A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium price does not change D. Equilibrium quantity increases
15	If demand curve is parallel to x-axis, then elasticity of demand is	A. Infinite B. Zero C. Equal to unity

		D. More than unity
16	Difference between total revenue and total cost presents:	A. Price B. Profit C. Production D. Loss
17	Concept of equilibrium level of national income in comprehensive way was presented by	A. Professor keynes B. Professor Marshall C. Professor hicks D. Professor Lipsay
18	In the short period, fixed cost curve has the tendency	A. Parallel to ox-axis B. Parallel to oy-axis C. Positive D. Negative
19	" International balance of payment is all that transaction for which either foreign exchange is spent or received." This definition is stated by	A. Prof. Marshal B. Prof.Samuelson C. Prof. Ricardo D. Prof. Hicks
20	Intersection of demand and supply curve is called	A. Equilibrium of firm B. Equilibrium of demand C. Equilibrium of supply D. Equilibrium point