

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	One of the following is not the fiscal measure to control inflation	A. Decrease in public expenditures B. Increase in the value of money C. Increase in taxes D. Encouragement of saving
2	If price increases but supply remains constant, it is called:	A. Fall in supply B. Contraction in supply C. Expansion in supply D. Rise in supply
3	During boom	A. Business contracts B. Unemployment increase C. Profit decreases D. Profit increases
4	Micro economics related to	A. International trade B. Behavior of firm C. National income D. Personal income
5	Organization means an individual or institution which with optimum factor combination	A. Lays foundation of business always earning profit B. Lays foundation of business but does not accept the responsibility of profit and loss C. Lays foundation of business but accepts the responsibility of profit and loss D. Serves as a manger in the business and receives remuneration
6	A good thing in private finance	A. Expenditures are equal to income B. Expenditure are more than income C. Income is more than expenditures D. a and b both
7	In a production process, when units of variable factors along with fixed factor of production are increased, marginal cost goes on rising, this tendency in economics is called	A. Law of decreasing cost B. Law of constant cost C. Law of increasing cost D. Law of increasing return
8	Which is not included in variable cost	A. price of raw material B. Advertisement expenditures C. rent of building D. wages of labour
9	Marginal revenue product is the amount of money attained by selling:	A. Average product B. Marginal product C. Total product D. Total cost
10	----- is not included in gross domestic product	A. Private investment B. Income received from foreign country C. Depreciation allowance D. Govt. investment
11	Direct taxes are not included in:	A. Personal income B. G.N.P C. G.D.P D. Disposable personal income
12	Elasticity of supply is the name of	A. Change in price B. Change in income C. Feature of change in supply D. Change in price and income
13	As factor of production, river and sea are called	A. Land B. Labour C. Capital D. Organization
14	According to law of diminishing marginal utility, Utility of every new (Additional) unit of commodity	A. Increases B. Decreases C. Remains constant

		D. None of these
15	Supply curve of perishable goods is:	A. Horizontal B. Vertical C. Infinite D. All of them
16	Supply of goods depends upon	A. Price B. Income C. Price and income D. Utility
17	Which thing should be added in net national product to get gross national product	A. Direct taxes B. Indirect taxes C. Depreciation allowance D. Subsidies
18	Shut down point appears, when	A. $AVC=AR$ B. $AVC>AR$ C. $AVC<AR$ D. $AC=AR$
19	Relationship of level of prices and quantity of money	A. Positive B. Negative C. Indirect D. 2nd and 3rd both
20	Methods to derive economic laws:	A. One B. Two C. Three D. Four