

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	"Principles of Economics" was written in:	A. 1776 B. 1890 C. 1932 D. 1930
2	When there is big change in demand and price of a commodity, it is called	A. Point elasticity B. Arc elasticity C. Cross elasticity D. Income elasticity
3	Total utility always:	A. Decreases B. 1st increases then decreases C. Maximum D. Negative
4	Branches of public finance are	A. Two B. Three C. Four D. Five
5	Supply of the one of the following is not fixed:	A. Vegetable B. Fruit C. Milk D. Motor bike
6	Which curve represents demand curve also	A. Marginal revenue B. Average revenue C. Total revenue D. Marginal cost
7	The money whose face value and intrinsic value are different	A. Token money B. Standard money C. Legal money D. Near money
8	If the ratio of change in demand is less than the ratio of change in price, elasticity of demand will be	A. More than unity B. Less than unity C. Equal to unity D. Zero
9	The percentage part of the agricultural produce is payable as Zakat which is irrigated by artificial sources	A. 5% B. 10% C. 15% D. 20%
10	Guides finance minister for levying tax on the income of the people	A. Law of demand B. Law of equi marginal utility C. Law of diminishing marginal utility D. Law of supply
11	Immortal factor production is	A. Land B. Labour C. Capital D. Organization
12	Which one of the following does not exist during deflation	A. Production decreases B. Value of money increases C. Supply of goods and services increases from their demand D. Level of employment increases
13	According to law of diminishing marginal utility, marginal utility of a commodity	A. Increases B. Decreases C. Remains constant D. Become negative
14	If supply of a commodity changes by more than 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. Infinite
15	One of the following is not the monetary measure to control inflation	A. Increase in bank rate B. Open market operation C. Increase in the ratio of reserve

		capital of the banks D. Increase in taxes
16	If the income and expenditures of the government are equal, such budget is called	A. Surplus budget B. Deficit budget C. Balanced budget D. Capital budget
17	Price of perishable goods is determined	A. In the market period B. In the short period C. In the middle period D. In the long period
18	Due to fall in demand, curve shifts to	A. Right B. Left C. Both sides D. None of these
19	One condition which is not included in perfect competition conditions	A. Homogeneity of product B. Difference in price C. Large number of buyers and sellers D. Perfect knowledge of the market
20	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