

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

Sr	Questions	Answers Choice
1	Rise of supply can be shown with the help of	A. A supply curve B. More than one supply curves C. Fixed supply curve D. Vertical supply curve
2	In which phase of Frade cycle level of employment and income becomes very low.	A. Depression B. Recovery C. Recession D. Boom
3	Duopoly refers to:	A. Single seller B. Two seller C. Multiple sellers D. Multiple buyers
4	One of the following is not the cause of inflation	A. Increase in quantity of money     B. Increase in demand for goods     C. Increase in supply of goods     D. Increase in cost of production
5	Finance minister in order to increase the public revenue imposes the tax on the commodities whose demand is more elastic	A. At low rate     B. At high rate     C. Some times decreases the rate     and some times increases     D. Does not change Tax rate
6	International trade is based on the following except	A. Different factors of production are required for the production of different goods B. Factors of production exist in different ratios in different countries C. Factors of production are in abundant quantity in different countries D. Factors of production are in limited quantity in different countries
7	Market equilibrium take place where:	A. D = S B. D > S C. D < S D. Both (b) and (c)
8	By increasing the cost of production, the supply	A. Extends B. contracts C. Falls D. Rises
9	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
10	Market value of all final goods and services is known as:	A. N.I B. G.N.P C. N.N.P D. Both a and b
11	Branches of public finance are	A. Two B. Three C. Four D. Five
12	Dividing total variable costs by the units of output, is attained	A. Average fixed cost B. Average variable cost C. Average cost D. Marginal cost
13	The trade that takes place between the individuals living in different areas of a country is called	A. Domestic trade B. International trade C. Foreign trade D. Regional Trade
14	Reward of Land is called.	A. Rent B. Wage C. Interest

	D. Profit
Relationship between price and quantity demanded is called	A. Demand schedule B. Demand curve C. Law of demand D. Assumptions of law of demand
One of the following is not included in explicit cost	A. Wages of labourers     B. Reward of entrepreneur's     personal labour     C. Price of raw material     D. Interest of capital
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
There exists a relationship between inflation and deflation	A. Increasing B. Inverse C. Indirect D. None of three
Economist who presented the first law of consumption	A. Marshall B. Adam smith C. Robbins D. Pigou
Rent of the building, interest of the capital and salaries of the permanent staff etc are called	A. Fixed costs B. Variable C. Marginal cost D. Average cost
	One of the following is not included in explicit cost  If elasticity of supply is less than unity then extending supply curve downward, it passes through or crosses  There exists a relationship between inflation and deflation  Economist who presented the first law of consumption