

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	First and basic law of consumption is	A. Law of demand B. Law of decreasing return C. Law of supply D. Law of diminishing marginal utility
2	Who said that economics is positive science	A. Adam Smith B. Marshall C. Robbins D. Keynes
3	Cost of a firm on the optimum combination of factors of production is	A. Minimum B. Maximum C. Reasonable D. Positive
4	The cause of extension and contraction of demand is	A. Income B. Price C. Population D. Technology
5	According to Robbins, the basic concept of Economics is	A. Political problem B. Economic problem C. Psychological problem D. Religious problem
6	Supply curve shifts due to better technique of production	A. Rightward B. Leftward C. Does not change D. Vertical
7	New classical economist is	A. Robbins B. Malthus C. Marshall D. Adam Smith
8	When there is a very small change in demand and price of a commodity, it is called	A. Point elasticity B. Arc elasticity C. Cross elasticity D. Income elasticity
9	AR curve is also called:	A. Supply curve B. Demand curve C. Utility curve D. Cost curve
10	What is the reward of Labour ?	A. Rent B. Wage C. Interest D. Profit
11	Self owned resources are known as:	A. Implicit cost B. Explicit cost C. Opportunity cost D. Sunk cost
12	The most important and basic factor of production is	A. Land B. Labour C. Capital D. Organization
13	Study of small units of an economic system is called	A. Micro economics B. Macro economics C. Applied economics D. All the three
14	According to law of demand, curve moves from left to right downward. This type of tendency is called	A. Positive tendency B. Negative tendency C. Extension and contraction of demand D. Rise and fall of demand
15	Balance of payments is annual statistical record of	A. Visible goods B. Invisible goods C. Foreign loans D. Foreign investments

D. Visible and invisible goods

16	Price of raw material, wages of temporary labourers, transport costs etc,are called	A. Fixed costs B. Variable costs C. Marginal cost D. Total cost
17	Which economist said that the term demand for money should be used instead of circulation of money	A. Prof Keynes B. Prof Marshall C. Prof Crowther D. Prof Fisher
18	In case of perfectly elastic supply or infinite elasticity of supply, supply curve is	A. Horizontal (parallel to x-axis) B. Vertical (parallel to y-axis) C. Positive sloped D. Negative sloped
19	Total utility increases when marginal utility is	A. Positive B. Negative C. Zero D. Minimum
20	A system where the goods are exchanged with money is known as:	A. Monetary system B. Barter system C. Coins system D. Modified system