Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	To measure national income is used	A. Product method B. Incomes of the factor method C. Expenditure method D. All the three
2	To derive economic laws deductive method was adopted by	A. Classical school of thought B. Neo classical school of thought C. Historical school of thought D. Modern school of thought
3	The best definition of money is stated by	A. Marhsall B. Crowther C. Keynes D. Walker
4	"The study of nature and principles of government expenditures and revenue is called public finance" This definition is stated by	A. Bastable B. Armitage Smith C. Ricardo D. Robbins
5	Dividing total costs by the units of output is attained	A. Average fixed cost B. Average cost C. Average variable cost D. Marginal cost
6	_____ is not considered perfect money	A. Note of ten rupees B. Note of hundred rupees C. Piece of silver D. Note of one thousand rupees
7	How many are kinds of economics	A. Two B. Three C. Four D. Five
8	Factors of production are:	A. Two B. Three C. Four D. Five
9	What is deducted from the GNP to get GDP	A. Depreciation allowances B. Net income received from abroad C. Indirect tax D. Transnfer payments
10	Modern theory trade cycle was presented by:	A. Hawtrey B. Habson Foster C. Jevons D. J.R Hicks
11	River, sea, forests, rain are called	A. Land B. Labour C. Capital D. Organization
12	Firm's cost depends upon:	A. Revenue B. Supply C. Price D. Output
13	Which money is not legally backed	A. Metallic money B. Paper money C. Credit money D. Near money
14	Equation of relationship between quantity of money and value of money, MV=PT is presented by the economist	A. Prof Taussing B. Prof Fisher C. Prof Crowther D. Prof Marshall
15	The price at which entrepreneur has a sufficient time to meet the demand, is called	A. Market price B. Normal price C. Reserve price D. Normal price

16	Government needs public finance	A. For the defence of frontiers B. To maintain law and order in the country C. For the payment of salaries of government employees D. For the welfare of the people
17	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
18	Market equilibrium is determined when	A. Demand = supply B. Demand > supply C. Demand < supply D. Demand = zero
19	When marginal utility is negative, total utility:	A. Decreases B. Increases C. Does not change D. Negative
20	If price of a commodity remains constant but its supply decreases or price increases but supply remains constant, it is called	A. Rise of supply B. Extension of supply C. Fall of supply D. Contraction of supply