

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

Sr	Questions	Answers Choice
1	When average product increase, marginal product	A. Decreases B. Is zero C. Is negative D. Also increases
2	The base of international trade theory of Adam Smith is	A. Absolute advantage B. Comparative cost C. Cheaper cost D. Low cost
3	Under decreasing return, the slope of marginal product curve is	A. Negative B. Positive C. Infinite D. Zero
4	One of the following is not included in the causes of deficit in balance of payments of a country	A. Increase in exports B. Increase in imports C. Unfavourable terms of trade D. Occurance of inflation
5	The percentage part of the mineral production is payable as Zakat on private owners of minerals	A. 5% B. 10% C. 15% D. 20%
6	Cheque is which kind of money:	A. Credit money B. Paper money C. Standard money D. Legal money
7	Deductive method of deriving economic laws	A. We move from general conditions to particular conditions B. We move from particular conditions to general conditions C. Stated in general way D. Different incidents are kept in view
8	Micro economics studies related to	A. National income B. Unemployment C. Trade cycle D. Consumer's behavior
9	Which factor has no pre-determined reward	A. Land B. Labour C. Capital D. Organization
10	Measurement of arc elasticity of demand was present:	A. Keynes B. Marshall C. Adam smith D. R.G.D Allen
11	When total utility is increasing marginal utility is	A. Zero B. Positive C. Negative D. Maximum
12	According to Prof. Jugglar a trade cycle comletes in	A. Five to six years B. Nine to ten years C. Ten to eleven years D. Eleven to twelve years
13	Annual rate of Zakat on cash and trading goods is	A. 2.0% B. 2,5% C. 3.0% D. 3.5%
14	If the rate of change in price and quantity demand is in equal ratio, then Elasticity of demand is:	A. Equal to zero B. Equal to one C. Smaller than one D. Greater than one
15	If every person pays tax according to his capacity, it is called	A. Canon of certainly B. Canon of equality C. Canon of productivity

		D. Canon of convenience
6	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
7	Due to fall in demand, curve shifts to	A. Right B. Left C. Both sides D. None of these
18	Law of increasing return is also known as:	A. Increasing cost B. Constant cost C. Diminishing cost D. Both (a) and (c)
9	If supply curve is horizontal (parallel to x-axis) then elasticity of supply is	<ul><li>A. Zero</li><li>B. Infinite</li><li>C. Equal to unity</li><li>D. More than unity</li></ul>
0	Which is not counted in national income	A. Interests B. transfer payments C. Profits D. Rents