

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

Sr	Questions	Answers Choice
1	Over investment and over saving theory was given by:	A. Joseph Schumpeter B. Habson Foster C. Jevons D. Hawtray
2	Under decreasing return, the slope of marginal product curve is	A. Negative B. Positive C. Infinite D. Zero
3	If total expenditure of the consumer decreases due to increase in price, then nature of elasticity of demand will be	A. Equal to unity B. Less than unity C. More than unity D. Elasticity of demand = zero
4	In which year international monetary fund was established	A. 1941 B. 1944 C. 1945 D. 1947
5	If demand falls more proportionately then that of supply then	A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium price does not change D. Equilibrium quantity increases
6	Relationship of level of prices and quantity of money	A. Positive B. Negative C. Indirect D. 2nd and 3rd both
7	One of the following is not the cause of deflation	A. Decrease in demand for goods B. Decrease in consumption C. Increase in quantity of money D. Increase in supply of goods
8	In which kind of economics, aggregate behaviors of the economy are reviewed	A. Theoretical B. Applied C. Micro D. Macro
9	Methods to derive economic laws:	A. One B. Two C. Three D. Four
10	During depression, a government prepares budget which is	A. Balanced B. Surplus C. Deficit D. Unbalanced
11	If total expenditure of the consumer increases due to decrease in price, then nature of elasticity of demand will be	A. Equal to unity B. Less than unity C. More than unity D. Elasticity of demand = zero
12	Net national product is found by	A. Subtracting tax from gross national product B. Subtracting transfer payments from gross national product C. Subtracting depreciation allowance from gross national product D. Subtracting subsidies from gross national product
13	Who said that economics is the science of wealth ?	A. Adam Smith B. Robbins C. Marshall D. Pigou
14	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

15	Inflation will be useful for	A. Labourers B. Consumers C. Pensioners D. Industrialist
16	Concept of law of diminishing marginal utility was presented by professor	A. Marshall B. Robbins C. Keynes D. Pigou
17	Inflation is useful for	A. Labourer B. Consumers C. Industrialist D. Pensioners
18	The slope of MR curve in monopoly is	A. Vertical B. Increasing C. Horizontal D. Negative
19	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
20	Economic problem arises due to:	A. Unlimited wants B. Limited resources C. Resources have alternative use D. All of them