Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	A firm gains normat profit, where:	A. P=AC B. P>AC C. P<AC D. AC>AR
2	One of the following is not assumption of law of diminishing marginal utility	A. Same nature of the commodity B. Consumption of the commodity with intervals C. Suitable quantity of the commodity D. No change in consumers mental condition
3	Income received without any economic services:	A. National Income B. Transfer payments C. Interest D. Profit
4	Saving deposits and time deposits of the banks, Govt. securities and shares of the companies are called	A. Token money B. Money of account C. Standard money D. Near money
5	According to law of diminishing marginal utility, Utility of every new (Additional) unit of commodity	A. Increases B. Decreases C. Remains constant D. None of these
6	Production of an additional unit of factor refers to:	A. AP B. TP C. MP D. MR
7	Law of constant return is also known as:	A. Increasing cost B. Constant cost C. Diminishing cost D. Both (a) and (c)
8	By which money business dealing has become easy	A. Metalic money B. Paper money C. Credit money D. Near money
9	The science in which conditions and incidents are checked from a particular point of view, is called	A. Positive science B. Normative science C. Social science D. All of three
10	Who said that economics is positive science ?	A. Adam smith B. Marshall C. Robbins D. Keynes
11	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
12	In law of decreasing return, marginal product	A. Increases B. Decreases C. Remains constant D. Does not change
13	If demand decreases by 5% due to 10% increase in Price, then elasticity of demand is	A. Equal to unity B. More than unity C. Less than unity D. Zero
14	If in a production sector, along with the fixed factor of production, by increasing units of variable factors, marginal product remains constant, this tendency in economics is called	A. Law of increasing return B. Law of constant return C. Law of decreasing return D. Law of production
15	Utility attained by all the units of a commodity consumed	A. Positive utility B. Negative utility C. Total utility

		D. Marginal utility
16	Who did criticise the definition of Robbins	A. Marshall B. J.B. Clark C. Beveridge D. Pigou
17	If quantity supplied changed in response to change in price, is known as:	A. Ed B. Es C. More Elastic D. Less Elastic
18	Which is considered as a transfer payment	A. wages B. salaries C. prices D. unemployment allowances
19	Public finance and private finance are of each other	A. Opposite B. Synonymous C. Similar & different D. None of three
20	Because of increase in national income	A. Standard of living rises B. Standard of living falls C. No change occurs D. None of three