

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

Sr	Questions	Answers Choice
1	Under consumption or over saving theory is presented by	A. Prof Hobson, Foster and Catchings B. Prof Hawtrej C. Prof Keynes D. Prof Jevons
2	Convertible paper money is issued by	A. Central bank B. Commercial bank C. Industrial bank D. Central government
3	If the rate of tax does not change with decrease or increase in the level of income, is called	A. Proportional tax B. Progressive tax C. Regressive tax D. value added tax
4	When production of a firm increases then total variable costs	A. Decrease B. Increase C. Remain constant D. Do not change
5	If percentage change in supply is less than the percentage change in price, then elasticity of supply is called	A. Equal to unity B. Less than unity C. More than unity D. Zero
6	If the demand for commodity being produced increases, then a firm in the short run ----- its variable factors	A. Increases B. Decreases C. Keeps the same D. None of three
7	_____ 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
8	The salient features of trade cycle are:	A. National in nature B. International in nature C. Domestic in nature D. All of these
9	When total production is maximum, marginal product is:	A. Positive B. Negative C. Zero D. Infinite
10	Value of money means purchasing power of money. If quantity of money is doubled then	A. Purchasing power of money will be one halved B. Purchasing power of money will be doubled C. Purchasing power of money will be tripled D. There will be no effect on the purchasing power of money
11	What can a firm do in the short run	A. Firm can increase its plants B. Firm can expand its building C. New firm can not enter the business D. New firm can enter the business
12	Expenditures of repair of machines are called	A. Unproductive expenditures B. Productive expenditures C. Rewards D. Depreciation allowance
13	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
14	Difference between total revenue and total cost presents:	A. Price B. Profit C. Production D. None

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15	Who said that economics is the science of wealth ?	A. Adam Smith B. Robbins C. Marshall D. Pigou
16	Marginal utility at the point of satiety is	A. Zero B. Positive C. Negative D. Initial
17	There exists a relationship between inflation and deflation	A. Increasing B. Inverse C. Indirect D. None of three
18	One of the following is a fixed capital:	A. Raw material B. Machinery C. Saving certificate D. None of these
19	Theory of innovations was presented by:	A. Joseph Schumpeter B. Habson Foster C. Jevons D. J.R Hicks
20	In production process when marginal product increases with the increase in units of variable factors along with fixed factor, this tendency in economics is called	A. Law of production B. Law of increasing return C. Law of decreasing return D. Law of constant return

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