

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	"Purchasing power of money is inverse of level of prices. So study of purchasing power of money is identical with the study of level of prices." These are the words of	A. Prof Irving Fisher B. Prof Crowther C. Prof Pigou D. Prof Keynes
2	Transfer payment means that income	A. Which can move from one place to order place i.g. money etc. B. Which is received without labour, e.g. Zakat, gift, pension etc C. Which is received after hardwork D. Which is received by exports
3	A system where the goods are exchanged with money is known as:	A. Monetary system B. Barter system C. Coins system D. Modified system
4	Marginal revenue product curve is called	A. Demand curve of the firm B. Supply curve of the firm C. Demand curve of the industry D. Supply curve of industry
5	The subject matter of Macro Economics is	A. Consumer's behavior B. International trade C. Firm's behavior D. Price mechanism
6	When marginal utility is zero, then total utility is	A. Minimum B. Positive C. Maximum D. Zero
7	If demand decreases by 15% 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
8	Utility attained by all the units of a commodity consumed	A. Positive utility B. Negative utility C. Total utility D. Marginal utility
9	Zakat means	A. Growth B. Purification C. Tax D. Both 1st and 2nd
10	During depression	A. Employment increases B. Prices decrease C. Profit increases D. Prices increase
11	One of the following is invisible item of balance of payment	A. Import of motor cars B. Exports of cotton C. Expenditure of passengers traveling by air D. Private investment in foreign country
12	Under perfect competition average revenue is always - - - marginal revenue	A. Equal to B. Less than C. More than D. None of three
13	MPP stand is	A. Marginal price product B. Marginal Physical Product C. Marginal Physical Price D. Marginal Perfect Price
14	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

15	Phases of trade cycle are:	A. Three B. Four C. Five D. Six
16	Slope of marginal utility curve is	A. Positive B. Negative C. Vertical D. Horizontal
17	Methods to derive economic laws:	A. One B. Two C. Three D. Four
18	The base of international trade theory of David Ricardo is	A. Absolute advantage B. Comparative cost C. Cheaper cost D. Low cost
19	If the face value of a coin is equal to the value of metal used in:	A. Legal money B. Token money C. Standard money D. Both b and c
20	The best definition of money is stated by	A. Marshall B. Crowther C. Keynes D. Walker