

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	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
2	National Income is also known as:	A. National product B. Total expenditure C. Total population D. Both a and b
3	During inflation prices are	A. Zero B. Low C. Increase D. Constant
4	If demand did not influence by the charge in price, that is called:	A. Elasticity of demand = 1 B. Elasticity of demand < 1 C. Elasticity of demand > 1 D. Elasticity of demand = 0
5	In which direction demand and supply curves move	A. Same B. Opposite C. parallel D. Horizontal
6	The equilibrium of the market is that demand and supply to each other are	A. opposite B. positive C. equal D. negative
7	Increasing marginal product shows the law	A. Law of increasing return B. Law of constant return C. Law of decreasing return D. Law of diminishing marginal utility
8	If demand curve is parallel to x-axis, then elasticity of demand is	A. Infinite B. Zero C. Equal to unity D. More than unity
9	Which book is named "Bible of Capitalism"	A. Wealth of nations B. Das capital C. Principles of economics D. General theory of employment, interest and money
10	When supply increases due to other factors besides price, it is called	A. Extension of supply B. Contraction of supply C. Rise of supply D. Fall of supply
11	Founder of new classical school of thought was	A. Adam smith B. Marshall C. Robbins D. Keynes
12	Balance of payments is annual statistical record of	A. Visible goods B. Invisible goods C. Foreign loans D. Visible and invisible goods
13	A monopolistic firm has control of	A. Whole market supply by one firm B. Whole market supply by two firms C. Whole market supply by a few firms D. None of these
14	If income of the government is more than its expenditures, such budget is called	A. Surplus budget B. Deficit budget C. Balanced budget D. Capital budget
15	"Public finance deals with governments revenue and expenditure and it studies how government maintains balance between its revenue and expenditures" This definition is stead by	A. Dalton B. Armitage Smith C. Bastable

	The dominant to stead by	D. pigou
16	All the factors of production can be hired except	A. Land B. Labour C. Capital D. Organization
17	A firm gains abnormal profit, when:	A. TR = TC B. TR > TC C. TR < TC D. MC = MR
18	Demand for factors of production is	A. Direct B. Derived C. Positive D. Negative
19	Equilibrium level of national income means that point where	 A. Consumption = saving B. Consumption = investment C. Income = saving + investment D. Saving = Investment
20	"General theory of employment, interest and money" was written by:	A. Robbins B. Pigou C. Keynes D. Canon