

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

Sr	Questions	Answers Choice
1	Market value of all final goods and services is known as:	A. N.I B. G.N.P C. N.N.P D. Both a and b
2	Demand for basic necessities of life is:	A. Perfectly elastic B. Less elastic C. Perfectly inelastic D. More elastic
3	Organization means an individual or institution which with optimum factor combination	A. Lays foundation of business always earning profit B. Lays foundation of business but does not accept the responsibility of profit and loss C. Lays foundation of business but accepts the responsibility of profit and loss D. Serves as a manger in the business and receives remuneration
4	In case of fall in demand, demand curve shifts:	A. Left side B. Right side C. Downward D. Both (a) and (c)
5	During the phase of recovery prices, wages, interest rate and profits	A. Start falling gradually B. Start rising gradually C. are highest D. are lowest
6	If demand changes by 10% due to 10% change in price, then elasticity of demand is called	A. Equal to unity B. More than unity C. Less than unity D. Infinite
7	Self owned resources are known as:	A. Implicit cost B. Explicit cost C. Opportunity cost D. Sunk cost
8	It was impossible under barter system	A. Lack of coincidence of wants B. Lack of common measure of value C. Divisibility of some goods in small parts D. Solution of all the said problems
9	"The study of nature and principles of government expenditures and revenue is called public finance" This definition is stated by	A. Bastable B. Armitage Smith C. Ricardo D. Robbins
10	Net foreign income means:	A. Import - Exports B. Exports - Imports C. Import + Exports D. Income from imports
11	Market price will be determined where	A. Supply is more than demand B. Demand is more than supply C. Demand and supply are equal D. Demand is less elastic and supply is more elastic
12	Because of indirect taxes, prices	A. Decrease B. Remain constant C. Increase D. Do not change
13	According to which economist, it is difficult to find marginal product	A. Robbins and Keynes B. Marshall and pigou C. Adam Smith and Mathuls D. Taussing and Davenport
14	Law of increasing return is also known as:	A. Increasing cost B. Constant cost

		<p>C. Diminishing cost D. Both (a) and (c)</p>
15	Initial utility is _____ individual utilities of all the units	<p>A. More than B. Less than C. Equal to D. None of these</p>
16	Under monopoly, the slope of MR curve is:	<p>A. Twice the slope of AR curve B. Less than the slope of AR curve C. Greater than the slope of AR curve D. Half the slope of AR curve</p>
17	The unit of money by which the value of goods and services is expressed is called	<p>A. Paper money B. Money of account C. Legal tender money D. Near money</p>
18	_____ is not considered perfect money	<p>A. Note of ten rupees B. Note of hundred rupees C. Piece of silver D. Note of one thousand rupees</p>
19	The second name of law of increasing return is	<p>A. Law of cost B. Law of increasing cost C. Law of decreasing cost D. Law of constant cost</p>
20	If the ratio of change in demand is less than the ratio of change in price, elasticity of demand will be	<p>A. More than unity B. Less than unity C. Equal to unity D. Zero</p>