

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Self owned resources are known as:	A. Implicit cost B. Explicit cost C. Opportunity cost D. Sunk cost
2	When there is big change in demand and price of a commodity, it is called	A. Point elasticity B. Arc elasticity C. Cross elasticity D. Income elasticity
3	The sector of production, in which nature plays more role, there is applicable	A. Law of increasing return B. Law of constant return C. Law of decreasing return D. Law of decreasing cost
4	Inflation is useful for	A. Labourer B. Consumers C. Industrialist D. Pensioners
5	If income of government is less than its expenditures, then it is a	A. Surplus budget B. Deficit budget C. Development budget D. Balanced budget
6	With the increase of output, which cost of production increases:	A. VC B. AC C. FC D. MC
7	If we multiply marginal product with price we get:	A. MFC B. MRP C. TVC D. Both a and b
8	When marginal utility is positive, total utility	A. Goes on decreasing B. Goes on increasing C. Does not change D. Is zero
9	National income is total of	A. Incomes of all entrepreneurs of the country B. Incomes of all industrialists of the country C. Incomes of all salaried persons of the country D. Incomes of all the people of the country
10	In economics, every mental or physical struggle undertaken for reward, is called	A. Land B. Labour C. Capital D. Organization
11	When total revenue is maximum, marginal revenue is	A. More B. Less C. Constant D. Zero
12	One of the following is not called land	A. Rain B. Mountain C. Forests D. Mangla Dam
13	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
14	What is the reward of Organization ?	A. Rent B. Wage C. Interest D. Profit

15	If elasticity of supply is equal to unity then extending supply curve downward, it passes through or crosses	A. y-axis B. x-axis C. Point of origin D. Becomes vertical
16	The income which a person can use according to his will called:	A. Net income B. Per capital income C. Personal income D. Disposable personal income
17	Method of measuring national income	A. National income=Gross national product - depreciation allowance B. National income= Net national product - Indirect costs C. National income= Net national product + subsidies D. National income= Net national product - indirect taxes + subsidies
18	When total utility is decreasing, marginal utility is	A. Zero B. Positive C. Negative D. Maximum
19	Study of large aggregated of economic system is called	A. Micro economics B. Macro economics C. Applied economics D. All the three
20	When total product decreases, marginal product	A. Is positive B. Is negative C. Is zero D. Is increasing