

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

Sr	Questions	Answers Choice
1	Who said that economics is science of wealth	A. Adam smith B. Robbins C. Marshall D. Pigou
2	The equilibrium of the market is that demand and supply to each other are	A. opposite B. positive C. equal D. negative
3	When supply curve shifts leftwards or up, it is called	A. Rise of supply B. Fall of supply C. Extension of supply D. Contraction of supply
4	One of the following is not advantage of paper money	A. Saving of metals B. Saving of coinage C. Easy transferability D. Perfectly inelastic supply
5	After achieving point of Satiation the total utility starts	A. Rising B. Declining C. Remains constant D. None of these
6	Which kind of budget is better during the situation of inflation	A. Deficit budget B. Surplus budget C. Balanced budget D. Domestic budget
7	Which is not included in variable cost	A. price of raw material B. Advertisement expenditures C. rent of building D. wages of labour
8	In a production process, when units of variable factors along with fixed factor of production are increased, marginal cost goes on rising, this tendency in economics is called	A. Law of decreasing cost B. Law of constant cost C. Law of increasing cost D. Law of increasing return
9	To derive economic laws inductive method was adopted by	A. Classical school of thought B. Neo classical school of thought C. Historical school of thought D. Modern school of thought
10	One of the following is considered as capital:	A. Land B. Labour C. Raw material D. Both (a) and (b)
11	Under monopoly, the slope of MR curve is:	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
12	Due to rise in demand, demand curve shifts to	A. Right B. Left C. Both sides D. None of these
13	The cause of rise and fall of demand is	A. income B. price C. population D. Both 1st and 3rd
14	"What performs the functions of money, is money" This definition of money is stated by	A. Prof Walker B. Prof Marshall C. Prof Crowther D. Prof Pigou
15	When average cost curve is rising, then marginal cost curve	A. Remains below it B. Remains above it C. Remains parallel to it

		D. is vertical
16	The paper notes which can not be converted in gold, silver, or foreign exchange, are called	A. Standard money B. Convertible paper money C. Inconvertible paper money D. Legal tender money
17	In the long run monopolist earns profit:	A. Normal B. Abnormal C. Super normal D. Both b and c
18	Short run cost curves are generally	A. flatter B. u shaped C. saucer shaped D. oval
19	Quantity of a commodity which a person is ready to purchase at a particular price, is called	A. Individual demand B. Market demand C. Supply D. Market Supply
20	Under perfect competition:	A. $AR > MR$ B. $AR < MR$ C. $AR = MR$ D. All of three