

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

Sr	Questions	Answers Choice
1	In the long run monopolist earns profit:	A. Normal B. Abnormal C. Super normal D. Both b and c
2	Flux method is also known as:	A. Percentage method B. Unitary method C. Total expenditure method D. All of them
3	Elasticity of demand for durable goods is	A. More elastic B. Less elastic C. Infinte D. Zero
4	Who is father of economics	A. Marshall B. Malthus C. Adam smith D. Cannon
5	Additional amount of money which a firm gets by selling an additional unit of output is called	A. Average revenue B. Marginal revenue C. Total revenue D. Revenue
6	Nature of inter-relationship of average revenue and marginal revenue under perfect competition is	A. Average revenue remains more than marginal revenue B. Average revenue remains less than marginal revenue C. Marginal revenue remains less than average revenue D. Average revenue remains equal to marginal revenue
7	According to law of diminishing marginal utility, Utility of every new (Additional) unit of commodity	A. Increases B. Decreases C. Remains constant D. None of these
8	When no satisfaction is attained by the consumption of a commodity, its marginal utility is	A. Zero B. Positive C. Negative D. Minimum
9	Which one of the following represents fixed cost	A. Price of raw material B. Wages C. Capital goods D. Wages of permanent labour
10	If we deduct foreign income from GNP, we get:	A. N.N.P B. G.D.P C. D.P.I D. P.I
11	Utility of the last unit of a commodity consumed is called	A. Positive utility     B. Negative utility     C. Total utility     D. Marginal utility
12	Innovation theory is presented by	A. Prof Kegnes B. Prof Schumpeter C. Prof Hicks D. Prof Foster
13	In a production process, when units of variable factors along with the fixed factor of production are increased, marginal cost remains the same, this tendency in economics is called	A. Law of decreasing cost     B. Law of constant cost     C. Law of increasing cost     D. Law of decreasing return
14	The price at which entrepreneur has a sufficient time to meet the demand, is called	A. Market price B. Normal price C. Reserve price D. Normal price

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15	Slope of demand curve of exceptions of law of demand is	A. Negative B. Positive C. Zero D. Fixed
16	Dividing total fixed costs by the units of output, is attained	<ul><li>A. Average fixed cost</li><li>B. Average variable cost</li><li>C. Average cost</li><li>D. Marginal cost</li></ul>
17	Quantity of a commodity which is offered for sale in a market is called:	A. Trade B. Supply C. Demand D. Stock
18	Tendency of demand curve of a factor of production is	A. Positive B. Negative C. Zero D. Horizontal
19	International trade is based on the following except	A. Different factors of production are required for the production of different goods B. Factors of production exist in different ratios in different countries C. Factors of production are in abundant quantity in different countries D. Factors of production are in limited quantity in different countries
20	Which one of the following was the difficulty of barter system	A. Abundance of goods     B. Lack of double coincidence of wants     C. Difference of language     D. difference of occupations