

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	To derive economic laws deductive 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
2	When average product decreases, marginal product	A. Increases B. Is zero C. Is equal to average product D. Is less than average product
3	Perfectly inelastic supply curve is:	A. Vertical B. Rise upward C. Horizontal D. Fall downward
4	During the phase of boom level of income and employment is	A. Increasing B. Decreasing C. Highest D. Lowest
5	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
6	When a firm's average total cost is equal to price, then it is called as	A. Normal profit B. Abnormal profit C. Normal loss D. Abnormal loss
7	Phases of a trade cycle are	A. Two B. Three C. Four D. Five
8	If income of government is more than its expenditures, then it is a	A. Surplus budget B. Deficit budget C. Development budget D. Balanced budget
9	Who said that economics has the place of intellectual religion	A. Cannon B. Pigou C. Durban D. Robbins
10	The number of laws of cost are	A. One B. Two C. Three D. Four
11	If the income and expenditures of the government are equal, such budget is called	A. Surplus budget B. Deficit budget C. Balanced budget D. Capital budget
12	Unit of account money in Pakistan is	A. Rial B. Rupee C. Dollar D. Pound
13	Psychological theory of trade cycles is presented by	A. Prof Jevons B. Prof Pigou and Bagehot C. Prof Keynes D. Prof Hawtrey
14	Quantity theory of money was introduced by:	A. Fisher B. Marshall C. Crowther D. J.S Mill
15	Which one of the following stated the canons of taxation first	A. Adam Smith B. Marshall C. Robbins D. "

		D. Keynes
16	When total revenue is maximum, marginal revenue is	A. More B. Less C. Constant D. Zero
17	One of the following is not the cause of inflation	A. Increase in quantity of money B. Increase in demand for goods C. Increase in supply of goods D. Increase in cost of production
18	Theory of sun-spot was presented by	A. Prof Jevons and Henry L. Moor B. Prof Pigou and begehote C. Prof Hobson D. Prof Cassel
19	To which area of England Adam Smith belonged	A. Wales B. Scotland C. Ireland D. London
20	Methods to derive economic laws:	A. One B. Two C. Three D. Four