

Principles of Economics Icom Part 1 English Medium Online Test

| Sr | Questions | Answers Choice |
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| 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 |

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 begehot
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
