

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

Sr	Questions	Answers Choice
1	If the rate of change in price and quantity demand is in equal ratio, then Elasticity of demand is:	A. Equal to zero B. Equal to one C. Smaller than one D. Greater than one
2	According to neo classical approach, output is the function of:	A. Labour B. Capital C. Organization D. Both (a) and (b)
3	Unity method to measure elasticity of supply is presented by	A. Adam Smith B. Robbins C. Marshall D. Faruson
4	Balance of payment of a country is favourable when its	A. Receipts are more than payments B. Receipts are less than payments C. Receipts are equal to payments D. None of three
5	Under decreasing return, the slope of marginal product curve is	A. Negative B. Positive C. Infinite D. Zero
6	Some inferior goods having expensive substitutes are known as:	A. Economic goods B. Giffen goods C. Non-economic goods D. Free goods
7	The rate change in total cost is:	A. TR B. MC C. MR D. TC
8	Free gift of nature is	A. Land B. Labour C. Capital D. Organization
9	Balance of payments is annual statistical record of	A. Visible goods B. Invisible goods C. Foreign loans D. Visible and invisible goods
10	The trade transaction between the individuals of different areas of a country is called	A. Local trade B. Regional trade C. Domestic trade D. International trade
11	Equilibrium means	A. the condition that is not possible B. an unstable condition C. a condition that can change D. stable position
12	Short run cost curves are generally	A. flatter B. u shaped C. saucer shaped D. oval
13	According to law of diminishing marginal utility, marginal utility of a commodity	A. Increases B. Decreases C. Remains constant D. Become negative
14	If price increases but supply remains constant, it is called:	A. Fall in supply B. Contraction in supply C. Expansion in supply D. Rise in supply
15	"Principles of Economics" was written by.	A. Adam smith B. Marshall C. Robbins D. Canon

16	"National income is that part of material wealth of a nation which can be measured by the scale of money" This definition of national income is stated by the economist	A. Marshall B. Pigou C. Adam smith D. Clark
17	Non elastic demand curve is	A. positive B. negative C. vertical D. horizontal
18	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
19	In which year international monetary fund was established:	A. 1941 B. 1944 C. 1945 D. 1947
20	No factor can take the place of any other factor, it is explained by	A. Law of decreasing return B. Law of constant return C. Law of increasing return D. Law of return