

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Increasing marginal product shows the law	A. Law of increasing return B. Law of constant return C. Law of decreasing return D. Law of diminishing marginal utility
2	When demand curve shifts leftward (or downward), it is called	A. Rise of demand B. Fall of demand C. Extension of demand D. Contraction of demand
3	Next best alternative use of resources is known as:	A. Implicit cost B. Explicit cost C. Opportunity cost D. Sunk cost
4	Feature of a commodity to satisfy human want, is called	A. Value B. Usefulness C. Utility D. Wealth
5	Kinds of credit money are	A. Verbal promise and written promise B. Govt. securities & debentures C. Cheque & Drafts D. Share of Companies
6	Study of large aggregated of economic system is called	A. Micro economics B. Macro economics C. Applied economics D. All the three
7	Trade cycles can be controlled by:	A. Fiscal policy B. Monetary policy C. Buffer stock schemes D. All of these
8	Not acting upon economic laws	A. One gets punishment B. Economy faces loss C. Only the people not acting, face loss D. No one is influenced
9	Laws of return are	A. Two B. Three C. Four D. Five
10	If supply decreases due to decrease in price, it is called	A. Extension of supply B. Contraction of supply C. Rise of supply D. Fall of supply
11	Which factor is helpful for earning more income ?	A. Land B. Labour C. Capital D. Organization
12	A textile mill produces 2000 meters cloth. Entrepreneur offers 1500 meters cloth to sell at price Rs 100 per meter and 500 meters cloth keeps with him. Cloth kept by the entrepreneur is called	A. Total production B. Supply C. Stock D. Surplus production
13	Balance of payment of a country in unfavourable when its	A. Receipts are more than payments B. Receipts are less than payments C. Receipts are equal to payments D. None of three
14	Private owners of minerals are bound to pay ----- Zakat of their production	A. 10% B. 15% C. 20% D. 25%
15	The ratio of change in income to change in investment is known as:	A. Multiplier B. Accelrator C. MEC

		D. Both a and b
16	The systematic record of visible and invisible exports and imports of a country in one year is called	A. Balance of trade B. Balance of payment C. External balance D. Internal balance
17	When price decreases, supply:	A. Contracts B. Expands C. Remains fixed D. Becomes zero
18	If percentage change in supply is less than the percentage change in price, then elasticity of supply is called	A. Equal to unity B. Less than unity C. More than unity D. Zero
19	All the factors of production can be hired except	A. Land B. Labour C. Capital D. Organization
20	Quantity theory of money was criticized by:	A. Marshall B. Sameulson C. Keynes D. Both b and c