

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Deductive method of deriving economic laws	<p>A. We move from general conditions to particular conditions</p> <p>B. We move from particular conditions to general conditions</p> <p>C. Stated in general way</p> <p>D. Different incidents are kept in view</p>
2	According to law of demand, when price of a commodity decreases, then demand curve	<p>A. Moves from left to right upward</p> <p>B. Moves from left to right downward</p> <p>C. Moves vertically</p> <p>D. Moves horizontally</p>
3	Who is called founder of modern school of thought	<p>A. Robbins</p> <p>B. Cannon</p> <p>C. Keynes</p> <p>D. Malthus</p>
4	Production of the last unit of a factor of production is called	<p>A. Total product</p> <p>B. Average product</p> <p>C. Marginal product</p> <p>D. Positive product</p>
5	If the demand for commodity being produced increases, then a firm in the short run ----- its variable factors	<p>A. Increases</p> <p>B. Decreases</p> <p>C. Keeps the same</p> <p>D. None of three</p>
6	International Monetary fund is	<p>A. Local</p> <p>B. Regional</p> <p>C. National</p> <p>D. International</p>
7	Innovation theory is presented by	<p>A. Prof Kegnes</p> <p>B. Prof Schumpeter</p> <p>C. Prof Hicks</p> <p>D. Prof Foster</p>
8	When average cost falls marginal cost is ----- average cost	<p>A. More than</p> <p>B. Less than</p> <p>C. Equal to</p> <p>D. A and C</p>
9	Which one of the following was the difficulty of barter system	<p>A. Abundance of goods</p> <p>B. Lack of double coincidence of wants</p> <p>C. Difference of language</p> <p>D. difference of occupations</p>
10	Transfer payment means that income	<p>A. Which can move from one place to order place i.g. money etc.</p> <p>B. Which is received without labour, e.g. Zakat, gift , pension etc</p> <p>C. Which is received after hardwork</p> <p>D. Which is received by exports</p>
11	When marginal utility is negative, total utility:	<p>A. Decreases</p> <p>B. Increases</p> <p>C. Does not change</p> <p>D. Negative</p>
12	The exchange of goods and services from country to country is called	<p>A. Foreign</p> <p>B. National trade</p> <p>C. Corporate trade</p> <p>D. Domestic trade</p>
13	In the long run firms mostly earn normal profit in:	<p>A. Perfect competition</p> <p>B. Oligopoly</p> <p>C. Monopoly</p> <p>D. Duopoly</p>
14	What is deducted from the GNP to get GDP	<p>A. Depreciation allowances</p> <p>B. Net income received from abroad</p> <p>C. Indirect tax</p> <p>D. Transnfer payments</p>

15	Demand curve of a monopolist has the shape	A. Falls from left to right B. Rises from left to right C. Remains below MR curve D. Remains parallel to ox-axis
16	During boom	A. Business contracts B. Unemployment increase C. Profit decreases D. Profit increases
17	One of the following is not advantage of international trade	A. Provision of necessities of life B. Imperfections of market C. Provision of medicines & machinery D. Provision of necessities of defence
18	The price of non-economic want is always:	A. Very high B. Very Low C. Negative D. Zero
19	The term "Price Maker" is used in:	A. Perfect competition B. Oligopoly C. Monopoly D. Monopsony
20	Elasticity of demand for durable goods is	A. More elastic B. Less elastic C. Infinte D. Zero