

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	If income of government is less than its expenditures, then it is a	A. Surplus budget B. Deficit budget C. Development budget D. Balanced budget
2	Which law provides the base of law of demand	A. Law of supply B. Law of diminishing marginal utility C. Law of equi marginal utility D. Law of decreasing return
3	When supply increases due to rise price, it is called:	A. Fall in supply B. Contraction in supply C. Expansion in supply D. Rise in supply
4	Who did write the book named "General theory of employment, interest and money"	A. Marshall B. Pigou C. Adam Smith D. Keynes
5	According to Pigou national income is that part of material wealth	A. Which can be stored easily B. Which can be measured by the scale of money C. Which have volume and surrounds D. Which is exported
6	According to which economist, some factors are indivisible	A. Adam Smith B. Marshall C. Davenport D. Hobson
7	Total utility decreases when marginal utility is	A. Positive B. Negative C. Zero D. Maximum
8	What is money	A. Coins of gold and silver B. Paper money C. Agricultural crops D. Everything which can be used as a medium of exchange
9	Under decreasing return, the slope of marginal product curve is	A. Negative B. Positive C. Infinite D. Zero
10	Tendency of demand curve of a factor of production is	A. Positive B. Negative C. Zero D. Horizontal
11	Economics is a science:	A. Political B. Spiritual C. Social D. Scientific
12	Monetary theory of trade cycle was given by:	A. Joseph Schumpeter B. Habson Foster C. Jevons D. Hawtray
13	Which law is applicable when human and natural forces are balance ?	A. Increasing cost B. Constant cost C. Diminishing cost D. Both (a) and (c)
14	One of the following is not the assumption of quantity theory of money	A. Velocity of circulation of legal money should not change B. Velocity of Circulation of credit money should not change C. Quantity of hoardings should not change D. Quantity of money should not change

D. Quantity of goods and services should go on changing

15	When total production decreases, marginal product is:	A. Positive B. Negative C. Zero D. Infinite
16	Dividing total fixed costs by the units of output, is attained	A. Average fixed cost B. Average variable cost C. Average cost D. Marginal cost
17	Law of diminishing marginal utility provides basis for:	A. Law of demand B. Law of equi marginal utility C. Law of supply D. Both (a) and (b)
18	National Income is also known as:	A. National product B. Total expenditure C. Total population D. Both a and b
19	Number of firms under monopoly is	A. One B. Two C. Three D. Four
20	Organization means an individual or institution which with optimum factor combination	A. Lays foundation of business always earning profit B. Lays foundation of business but does not accept the responsibility of profit and loss C. Lays foundation of business but accepts the responsibility of profit and loss D. Serves as a manager in the business and receives remuneration