

Principles of Economics Icom Part 1 English Medium Online Test

| Sr | Questions | Answers Choice |
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| 1 | The money in which payment can be made only to certain extent is called | A. Unlimited legal tender money B. Limited legal tender money C. Metallic money D. Paper money |
| 2 | Cardinal utility approach was presented by: | A. Adam smith B. Keynes C. Robbins D. Marshall |
| 3 | Walker, senior and Malthus belonged to school of thought | A. Classical B. Neo classical C. Keynesian D. None of these |
| 4 | Which economist stated that utility is not measurable | A. Adam Smith B. Marshall C. Cannon D. Hicks |
| 5 | When marginal utility is negative, then total utility | A. Decreases B. Increases C. Does not change D. Becomes negative |
| 6 | In order to satisfy some wants, more than one commodities are needed. Demand for such commodities is called | A. Joint demand B. Composite demand C. Derived demand D. Direct demand |
| 7 | When total production decreases, marginal product is: | A. Positive B. Negative C. Zero D. Infinite |
| 8 | If demand changes by less than 10% due to 10% change in price, then elasticity of demand is called | A. Equal to unity B. More than unity C. Less than unity D. Infinite |
| 9 | Quantity of a commodity offered for sale in a market at a certain price during a given period of time, is called | A. Stock B. Demand C. Supply D. Quantity demanded |
| 10 | The goods which are directly consumed by the human-being, are called | A. Consumer goods B. Capital goods C. Industrial goods D. None of the three |
| 11 | Subsidies means: | A. Relief price to consumers B. Relief in price to Producers C. Surplus budget D. Both a and b |
| 12 | Applied on agriculture immediately | A. Law of increasing return B. Law of substitution C. Law of decreasing return D. Law of decreasing cost |
| 13 | In order to improve the balance of payment the foremost try is to increase | A. Imports B. Exports C. Production D. Savings |
| 14 | In a production process, when units of variable factors along with the fixed factor of production are increased, marginal cost remains the same, this tendency in economics is called | A. Law of decreasing cost B. Law of constant cost C. Law of increasing cost D. Law of decreasing return |
| 15 | Amount of money attained by selling marginal product is called | A. Average revenue product B. Marginal revenue product C. Total revenue product D. None of three |

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| 16 | Which combination of the following is of joint demand | A. Tea and coffee B. Petrol and car C. Meat and grocery D. Inkpot and book |
| 17 | A firm gains normal profit, where: | A. $P=AC$ B. $P>AC$ C. $P=AC$ D. $AC>AR$ |
| 18 | When there is big change in demand and price of a commodity, it is called | A. Point elasticity B. Arc elasticity C. Cross elasticity D. Income elasticity |
| 19 | According to Prof. Juglar a trade cycle completes in | A. Five to six years B. Nine to ten years C. Ten to eleven years D. Eleven to twelve years |
| 20 | All the factors production can be hired except. | A. Land B. Labour C. Capital D. Organization |
