

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	When there is deflation, then prices	A. Increase B. Decrease C. Remain constant D. do not change
2	When demand increases due to change in other factors it is known as:	A. Contraction in demand B. Expansion and contraction in demand C. Expansion in demand D. Rise in demand
3	If the rate of tax does not change with decrease or increase in the level of income, is called	A. Proportional tax B. Progressive tax C. Regressive tax D. value added tax
4	Who did give economics the status of positive science	A. Marshall B. Robbins C. Cannon D. Pareto
5	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
6	The factor of production which is used to produce more wealth or increase income is called	A. Land B. Labour C. Capital D. Organization
7	If 50% change in demand in reposne of 50% change in price then:	A. Elasticity of demand = 1 B. Elasticity of demand \leq 1 C. Elasticity of demand \geq 1 D. Elasticity of demand = 0
8	According to the law of supply, there is relation in price and supply	A. Inverse B. Increasing C. Negative D. indirect
9	When average product increase, marginal product	A. Decreases B. Is zero C. Is negative D. Also increases
10	Vertical supply curve means	A. Same quantity supplied at differented price B. Different quantities supplied at one price C. Different quantities supplied at different prices D. None of three
11	In which year international monetary fund was established	A. 1941 B. 1944 C. 1945 D. 1947
12	Quickly destroyable goods are called	A. Superior goods B. Inferior goods C. Perishable goods D. Giffen godds
13	Reward of Land is called.	A. Rent B. Wage C. Interest D. Profit
14	The price of non-economic want is always:	A. Very high B. Very Low C. Negative D. Zero

15	The additional cost which a firm has to bear in order to produce additional unit of output, are called	A. Average cost B. Marginal cost C. Fixed costs D. Variable costs
16	If two goods are substitute, cross Elasticity of demand will be:	A. Zero B. Infinite C. Positive D. Negative
17	Quantity theory of money was criticized by:	A. Marshall B. Sameulson C. Keynes D. Both b and c
18	When a firm earns abnormal profit in the short run, then its	A. $MC=MR=AR=AC$ all are equal B. $MC=MR=AR$ while AC is less C. $MC=MR=AR$ while AC is more D. $MC=MR=AR$ while AV is sometimes equal to them and sometimes less than them
19	Gross national product means	A. Total of price of all goods produced in a country in year B. Total of price of all consumer goods produced in the economy during a year C. Total of goods and services produced in the economy during a year D. Total of monetary value of goods and services produced during a year in the economy
20	Who did write the book named "Nature and importance of economics"	A. Adam smith B. Marshall C. Robbins D. Keynes