Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	When average cost falls, marginal cost is - - - - - - average cost	A. Less than B. More than C. Equal to D. None of three
2	The term marginal in economics means:	A. An additional unit B. Change in unit C. Last unit D. All of them
3	National income means the income	A. Which central government earns during a year B. Which provincial government earn during a year C. Total wealth of a country D. Rewards which the factors of production get during a year
4	If every person pays tax according to his capacity, it is called	A. Canon of certainly B. Canon of equality C. Canon of productivity D. Canon of convenience
5	Which economist has stated the definition of balance of payments	A. Robbins B. Kindleberger C. Marshall D. Keynes
6	The trade that takes place between the inhabitants of two countries is called	A. Domestic trade B. International trade C. National trade D. Regional Trade
7	Average product is maximum, when marginal product curve _____ average product curve	A. Intersects falling B. Intersect rising C. Is above D. Is below
8	Demand for luxuries goods is:	A. Perfectly elastic B. Less elastic C. Perfectly inelastic D. More elastic
9	In which phase of a trade cycle national product, wages, prices and profits reach at their peak	A. Recovery B. Boom C. Recession D. Depression
10	The demand curve slopes	A. upwards B. Horizontal C. vertical D. downward to the right
11	The budget period in public finance is	A. six months B. one year C. two years D. five years
12	What effects are expected on the purchasing power of money during deflation	A. Decreases B. Increases C. Remains constant D. 2nd and 3rd
13	Firms earn abnormal profit when:	A. AR = AC B. AR < AC C. AR > AC D. AC = AR
14	During depression	A. Employment increases B. Prices decrease C. Profit increases D. Prices increase
		A. Law of diminishing marginal utility

15	Other name of law of equi marginal utility is	B. Law of demand C. Law of constant return D. Law of indifference
16	One of the following is invisible item of balance of payment	A. Import of motor cars B. Exports of cotton C. Expenditure of passengers traveling by air D. Private investment in foreign country
17	Quantity theory of money failed during world economic depression	A. In 1920 B. In 1925 C. In 1929 D. In 1935
18	If the ratio of change in demand is less than the ratio of change in price, elasticity of demand will be	A. More than unity B. Less than unity C. Equal to unity D. Zero
19	When after the observation and analysis of the conditions, they are stated as they are, is called	A. Normative science B. Positive science C. Vegetation science D. Science of Prediction
20	Inflation can be controlled by:	A. Fiscal policy B. Monetary policy C. Trade policy D. Both a and b