

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Value of money means purchasing power of money. If quantity of money is doubled then	A. Purchasing power of money will be one halved B. Purchasing power of money will be doubled C. Purchasing power of money will be tripled D. There will be no effect on the purchasing power of money
2	In law of decreasing cost, marginal cost	A. Increases B. Decreases C. Remains constant D. Does not change
3	Absolute advantage theory was presented by	A. Adam Smith B. Prof Walker C. Ricardo D. Marshall
4	When average product decreases, marginal product	A. Increases B. Is zero C. Is equal to average product D. Is less than average product
5	Under increasing return, the slope of marginal product curve is	A. Positive B. Negative C. Infinite D. Zero
6	In which kind of economics, aggregate behaviors of the economy are reviewed	A. Theoretical B. Applied C. Micro D. Macro
7	If supply does not change, then due to fall of demand	A. Equilibrium price decreases B. Equilibrium price increases C. Equilibrium price does not change D. Equilibrium quantity increases
8	The period in which an economy comes back from prosperity to depression is called	A. Recovery B. Recession C. Boom D. Depression
9	If there is slight change in price and demand, it is called	A. Arc elasticity B. Point elasticity C. Income elasticity D. Cross elasticity
10	When price of a commodity decreases but its demand does not change, this situation is called	A. Constant demand B. Fall of demand C. Rise of demand D. Extension of demand
11	Which one is comparatively the most important factor ?	A. Land B. Labour C. Capital D. Organization
12	Economic laws are:	A. Definite and universal B. Conditional C. Moral D. Political
13	In which year the book named "An enquiry into the nature and causes of the wealth of nations" was written	A. 1696 B. 1776 C. 1803 D. 1825
14	The paper notes which can not be converted in gold, silver, or foreign exchange, are called	A. Standard money B. Convertible paper money C. Inconvertible paper money D. Legal tender money

15	According to classical theory of international trade, a country imports those goods from the other country which	A. Are durable B. Are standardised C. Are produced comparatively at high cost D. Are not produced in that country
16	Laws of returns are also known as:	A. Laws of substitution B. Laws of consumption C. Laws of cost D. All of three
17	Unity method to measure elasticity of supply is presented by	A. Adam Smith B. Robbins C. Marshall D. Faruson
18	Usually market price is normal price	A. Equal to B. Less than C. More than D. None of these
19	If we deduct depreciation from GNP, we get:	A. P.I B. G.D.P C. D.P.I D. N.N.P
20	When a firm's average total cost is equal to price, then it is called as	A. Normal profit B. Abnormal profit C. Normal loss D. Abnormal loss