

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Demand for luxuries in	A. Les elastic B. More elastic C. Perfectly elastic D. Perfectly inelastic
2	Immortal factor production is	A. Land B. Labour C. Capital D. Organization
3	When total utility is decreasing, marginal utility is	A. Zero B. Positive C. Negative D. Maximum
4	If price increases but supply remains constant, it is called:	A. Fall in supply B. Contraction in supply C. Expansion in supply D. Rise in supply
5	Some inferior goods having expensive substitutes are known as:	A. Economic goods B. Giffen goods C. Non-economic goods D. Free goods
6	A firm is in equilibrium, where:	A. AR = MR B. AC = MC C. AC = MR D. MC = MR
7	The cause of rise and fall of demand is	A. income B. price C. population D. Both 1st and 3rd
8	ld 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	If the face value of a coin is greater than the value of metal used in:	A. Legal money B. Token money C. Standard money D. Both b and c
10	Public finance and private finance are of each other	A. Opposite B. Synonymous C. Similar & different D. None of three
11	According to classical economics, production process is under laws	A. Two B. Three C. Four D. Five
12	If quantity demand changes due to the change in income, it is called:	A. Point Elasticity of demand B. Arc Elasticity of demand C. Income Elasticity of demand D. Price Elasticity of demand
13	One rupee note in paper money is	A. Inconvertible paper money B. Convertible paper money C. Limited legal tender money D. Unlimited legal tender money
14	According to law of demand, when price of a commodity decreases, then demand curve	A. Moves from left to right upward B. Moves from left to right downward C. Moves vertically D. Moves horizontally
15	One of the following is not the characteristic of money	A. General acceptability B. Durability C. Non homogeneity D. Convertibility

16	All factors of production are variable in the:	A. Market period B. Long period C. Short period D. All of these
17	Equilibrium level of national income means that point where:	A. Consumption = Saving B. Consumption = Investment C. Saving = Investment D. Income = Saving + Investment
18	Deflation means:	A. Rapid increase in price level B. General decrease in price level C. General increase in price level D. Both a and c
19	Third factor of production is called	A. land B. labour C. capital D. organization
20	Supply of the one of the following is not fixed:	A. Vegetable B. Fruit C. Milk D. Motor bike