

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	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
2	Surplus budget for the government is considered	A. Useful B. Harmful C. Useful & harmful D. None of three
3	By which money business dealing has become easy	A. Metallic money B. Paper money C. Credit money D. Near money
4	Demand for luxuries goods is:	A. Perfectly elastic B. Less elastic C. Perfectly inelastic D. More elastic
5	Factors of production are more mobile	A. In international trade B. In the country C. In both D. In none
6	Finance minister in order to increase the public revenue, imposes tax on the commodities whose demand is less elastic	A. At low rate B. At high rate C. Some times decreases the tax rate and some times increases the tax rate D. Does not change tax rate
7	With an increase in the price of any good its substitutes will have	A. a fall in its price B. an increase in its prices C. an increase in its demand D. a decrease in its price
8	If supply of a commodity changes by 10% due to 10% change in its price, then elasticity of supply will be	A. Equal to unity B. More than unity C. Less than unity D. Zero
9	Which is not studied in micro economics ?	A. Theory of consumer behaviour B. Price theory C. Theory of money D. Theory of distribution of wealth
10	Fourth factor of production is called	A. Land B. Labour C. Capital D. Organization
11	Economic problem arises due to:	A. Unlimited wants B. Limited resources C. Resources have alternative use D. All of them
12	During the phase of boom level of income and employment is	A. Increasing B. Decreasing C. Highest D. Lowest
13	Which one is immobile factor ?	A. Land B. Labour C. Capital D. Organization
14	The demand curve for monopolist is also called	A. Total revenue B. Average revenue C. Marginal revenue D. Zero revenue
15	Zakat means	A. Growth B. Purification C. Tax

D. Both 1st and 2nd

16	During inflation prices are	A. Zero B. Low C. Increase D. Constant
17	Reward of capital is called	A. Rent B. Wage C. Interest D. Profit
18	In law of decreasing cost, marginal cost	A. Increases B. Decreases C. Remains constant D. Does not change
19	All factors of production are variable in the:	A. Market period B. Long period C. Short period D. All of these
20	Who said that economics has the place of intellectual religion	A. Cannon B. Pigou C. Durban D. Robbins