

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	When marginal utility is positive, total utility	A. Goes on decreasing B. Goes on increasing C. Does not change D. Is zero
2	Free gift of nature is	A. Land B. Labour C. Capital D. Organization
3	Which economist is called Aristotal of economics	A. Marshall B. Keynes C. Adam Smith D. Malthus
4	If the rate of change in price and quantity demand is in equal ratio, then Elasticity of demand is:	A. Equal to zero B. Equal to one C. Smaller than one D. Greater than one
5	One of the following is not included in explicit cost	A. Wages of labourers B. Reward of entrepreneur's personal labour C. Price of raw material D. Interest of capital
6	In law of constant return, marginal product	A. Increases B. Decreases C. Remains constant D. Remains changing
7	Law of constant return is also known as:	A. Increasing cost B. Constant cost C. Diminishing cost D. Both (a) and (c)
8	Which economist has stated the definition of balance of payments	A. Robbins B. Kindleberger C. Marshall D. Keynes
9	What is the reward of Organization ?	A. Rent B. Wage C. Interest D. Profit
10	If the percentage change in supply is more than the percentage change in price, then elasticity of supply is called	A. Equal to unity B. Less than unity C. More than unity D. Infinite
11	Average revenue is equal to	A. Price B. Total revenue C. Marginal revenue D. Average cost
12	Which economist explained the absolute difference of cost of two good between two countries	A. Malthus B. Adam Smith C. Ricardo D. J.S Mill
13	Law of increasing return is more applicable in:	A. Trade sector B. Industrial sector C. Agricultural sector D. Power sector
14	Factors of production are:	A. Two B. Three C. Four D. Five
15	Kinds of public expenditures are	A. Two B. Three C. Four D. Five

D. Five

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 According to quantity theory of money doubling the quantity of money, prices

- A. Increase
- B. Double
- C. Decrease
- D. One half

18 Slope of demand curve is

- A. Negative
- B. Positive
- C. zero
- D. fixed

19 Balance of visible goods of a country mean

- A. Quantity of imports & exports
- B. Value of imports & exports
- C. Value of imported & exported goods and services
- D. Value of imported & exported services

20 If demand curve is parallel to x-axis, then elasticity of demand is

- A. Infinite
- B. Zero
- C. Equal to unity
- D. More than unity