Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	On which of the following law of diminishing marginal utility is applicable	A. Money and wealth B. Historical articles C. Normal goods of need D. Narcotics
2	In which phase of a trade cycle level of employment and income become very low	A. Depression B. Recovery C. Boom D. Recession
3	If we multiply margina product with price we get:	A. MFC B. MRP C. TVC D. Both a and b
4	Intersection of demand and supply curve is called	A. Equilibrium of firm B. Equilibrium of demand C. Equilibrium of supply D. Equilibrium point
5	The costs which a firm bear only in case of producing commodities	A. Fixed costs B. Variable costs C. Total costs D. Average fixed cost
6	Supply of goods depends upon	A. Price B. Income C. Price and income D. Utility
7	Laws which reflect religion of society	A. Economic laws B. State laws C. Scientific laws D. Moral laws
8	Founder of modern school of thought:	A. Adam smith B. Marshall C. Ricardo D. Robbins
9	"Money is what money does" is the statements of:	A. Robbins B. Marshall C. Hicks D. Keynes
10	When marginal utility is negative, then total utility	A. Decreases B. Increases C. Does not change D. Becomes negative
11	Reward of Land is called.	A. Rent B. Wage C. Interest D. Profit
12	The cause of extension and contraction of demand is	A. Income B. Price C. Population D. Technology
13	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
14	Which is considered as a transfer payment	A. wages B. salaries C. prices D. unemployment allowances
15	If there is big change in Price and demand, it is called	A. Arc elasticity B. Point elasticity C. Income elasticity D. Cross elasticity

16	A textile mill produces 2000 meters cloth. Entrepreneur offers 1500 meters cloth to sell at price Rs 100 per meter and 500 meters cloth keeps with him. Cloth kept by the entrepreneur is called	A. Total production B. Supply C. Stock D. Surplus production
17	Which thing should be added in net national product to get gross national product	A. Direct taxes B. Indirect taxes C. Depreciation allowance D. Subsidies
18	Meteorological theory of trade cycle was presented by:	A. Joseph Schumpeter B. Habson Foster C. Jevons D. Hawtray
19	The base of international trade theory of Adam Smith is	A. Absolute advantage B. Comparative cost C. Cheaper cost D. Low cost
20	The power of a good or service to satisfy a human want is called:	A. Value B. Price C. Utility D. All of them