

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Phases of trade cycle are:	A. Three B. Four C. Five D. Six
2	Government needs public finance	A. For the defence of frontiers B. To maintain law and order in the country C. For the payment of salaries of government employees D. For the welfare of the people
3	Economy gets prosperity during	A. Recession B. Depression C. Boom D. Recovery
4	Who did criticise the definition of Robbins	A. Marshall B. J.B. Clark C. Beveridge D. Pigou
5	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
6	Which economist said that the term demand for money should be used instead of circulation of money	A. Prof Keynes B. Prof Marshall C. Prof Crowther D. Prof Fisher
7	One of the following is not the method to control deflation	A. Decrease in public expenditures B. Decrease in interest rate C. Decrease in income tax D. Increase in exports
8	Kinds of public expenditures are	A. Two B. Three C. Four D. Five
9	Individuals of a country produce a certain quantity of goods and services using the resources of the country with the help of their capital, it is called national income this definition is presented by	A. Professor Marshall B. Professor Paul A Samuelson C. Professor Fisher D. Professor Pigou
10	Main elements of circular flow of national income are	A. People or house holds B. Firms C. House holds and firms D. Industrial lists
11	Stock means the quantity of a commodity	A. Which is offered for sale in the market B. Which is sold in the market C. Total production is called stock D. Which the seller keeps in his possession without selling
12	If demand and supply both fall in the same proportion	A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium price does not change D. Equilibrium quantity increases
13	Wages of temporary labourers are	A. Fixed cost B. Marginal cost C. Total cost D. Variable cost
14	Under perfect competition, marginal revenue and average revenue curves	A. Moves from left to right upward B. Moves from left to right downward C. Remain parallel to x-axis D. Remain parallel to y-axis

15 The term demand in economics means:
A. Desire
B. Purchasing
C. Need
D. Both (a) and (b)

16 When average cost increases, marginal cost is ----- average cost
A. Less than
B. More than
C. Equal to
D. None of three

17 Marginal revenue product curve is called
A. Demand curve of the firm
B. Supply curve of the firm
C. Demand curve of the industry
D. Supply curve of industry

18 Third factor of production is called
A. land
B. labour
C. capital
D. organization

19 If demand does not change, then due to fall of supply
A. Equilibrium price increases
B. Equilibrium price decreases
C. Equilibrium quantity increases

20 One of the following is not substitute good:
A. Mobile and charger
B. Petrol and CNG
C. Burger and Shawarma
D. Both b & c
