

## Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	According to which economist, utility is measureable	A. Marshall B. Adam smith C. Robbins D. Keynes
2	One of the following is considered as capital:	A. Land B. Labour C. Raw material D. Both (a) and (b)
3	Cause of positive slope of supply curve	A. Change in cost of production B. Fear of increase in cost of production and decrease in profit C. Change in technique of production D. Increase in per unit profit due to increase in price
4	Rise of supply can be shown with the help of	A. A supply curve B. More than one supply curves C. Fixed supply curve D. Vertical supply curve
5	Under Monopoly, a firm is in equilibrium position when Ed is:	A. Equal to unity B. Less than unity C. Grater than unity D. Both b and c
6	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
7	A firm earns normal profit	A. When price of the commodity is equal to average cost B. When price of the commodity is more than average cost C. When price of the commodity is less than average cost D. When total revenue is more than total costs
8	When marginal product is zero, total product is	A. Maximum B. Minimum C. Negative D. Zero
9	One of the following is non economic want:	A. Car B. Bike C. Fan D. Self respect
10	The factor of production which is used to produce more wealth or increase income is called	A. Land B. Labour C. Capital D. Organization
11	When a firm earns abnormal profit in the short run, then its	A. MC=MR=AR=AC all are equal B. MC=MR=AR while AC is less C. MC=MR=AR while AC is more D. MC=MR=AR while AV is sometimes equal to them and sometimes less than them
12	Comparative cost theory is also called	A. Theory of comparison cost B. Theory of specialization of cost C. Theory of balanced cost D. Theory of specialization of production
13	Who said that economics is the science of wealth ?	A. Adam Smith B. Robbins C. Marshall D. Pigou
		A. Wear and Tear

14	Depreciation means:	B. Reduction in value C. Decrease in value D. All of these
15	When AC is falling then:	A. MC = AC B. AVC = MC C. MC > AC D. MC < AC
16	Money which can be converted into cash money is known as:	A. Near money B. Paper money C. Legal tender money D. Token money
17	In economics, every mental or physical struggle undertaken for reward, is called	A. Land B. Labour C. Capital D. Organization
18	Which phase starts with the increase in expected rate of profit	A. Depression B. Recovery C. Boom D. Recession
19	First and basic law of consumption is	A. Law of demand B. Law of decreasing return C. Law of supply D. Law of diminishing marginal utility
20	If price of a commodity remains constant but its supply decreases or price increases but supply remains constant, it is called	A. Rise of supply B. Extension of supply C. Fall of supply D. Contraction of supply