Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	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
2	"Quantity of goods and services which is consumed during a year is called national income". This definition of national income is stated by the economist	A. Marshall B. Pigou C. Adam smith D. Fisher
3	Factor of production which is used to earn more income, is called	A. Land B. Labour C. Capital D. Organization
4	The name of first law of consumption is	A. Law of demand B. Law of diminishing marginal utility C. Law of equi marginal utility D. Law of supply
5	Firm's cost depends upon:	A. Revenue B. Supply C. Price D. Output
6	"Public finance is that branch of economics which studies the revenue and expenditures of governments institutions, their inter-relationship and financial administration" This definition is stated by	A. Bastable B. Armitage Smith C. Marshall D. Pigou
7	The term demand in economics means:	A. Desire B. Purchasing C. Need D. Both (a) and (b)
8	Rent of the building, interest of the capital and salaries of the permanent staff etc are called	A. Fixed costs B. Variable C. Marginal cost D. Average cost
9	MRP curve is slopping:	A. Negative B. Positive C. Downward D. Both a and c
10	Capital goods are those which can satisfy human wants:	A. Directly B. Indirectly C. Proportionate D. None of these
11	The decreasing part of TU curve shows:	A. MU is zero B. MU is negative C. MU is increasing D. MU is decreasing
12	Supply of goods depends on	A. price B. income C. income and price D. utility
13	In which phase of a trade cycle level of employment and income become very low	A. Depression B. Recovery C. Boom D. Recession
14	If supply does not change, then due to rise in demand, equilibrium price.	A. Increases B. Decreases C. Does not change D. Becomes zero
15	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

16	When price of a commodity decreases but its demand does not change, this situation is called	A. Constant demand B. Fall of demand C. Rise of demand D. Extension of demand
17	Production of a commodity depends upon four factors of production i.e. land, labour, capital and organization	A. According to classical economists B. According to Neo classical economists C. According to modern economists D. According to Austrian school of thought
18	" International balance of payment is all that transaction for which either foreign exchange is spent or received." This definition is stated by	A. Prof. Marshal B. Prof.Samuelson C. Prof. Ricardo D. Prof. Hicks
19	Cannon,. Pigou and Pareto belonged to school of thought	A. Classical B. Neo classical C. Keynesian D. None of these
20	The period in which an economy comes back from prosperity to depression is called	A. Recovery B. Recession C. Boom D. Depression