

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Firm earns maximum profit at the point where	A. Difference between total costs and total revenue is highest and the total revenue curve is above B. Total costs and total revenue curves intersect each other C. Total costs curve is above the total revenue curve D. Difference between total costs and total revenue is minimum
2	In production process, when units of variable factors along with fixed factor of production are increased, marginal product goes on failing, this tendency in economics is called	A. Law of decreasing return B. Law of increasing return C. Law of production D. Law of constant return
3	Cardinal utility approach was presented by:	A. Adam smith B. Keynes C. Robbins D. Marshall
4	Which one is not studied in micro economic	A. National income B. Consumer behavior C. Market equilibrium D. Firm's equilibrium
5	Law of decreasing return is immediately applied on	A. Agriculture B. Trade C. Industry D. Construction
6	The percentage part of the agricultural produce is payable as Zakat which is irrigated by natural water	A. 5% B. 10% C. 15% D. 20%
7	If the total expenditure of the consumer decreases due to decrease in price, then nature of elasticity of demand will be	A. Equal to unity B. Less than unity C. More than unity D. Elasticity of demand = zero
8	Which one of the following is not included in the methods of measuring national income	A. Method of total according to market prices B. Method of total of incomes C. Method of total of domestic necessities and desires D. Method of total expenditures
9	Number of firms under monopoly is	A. One B. Two C. Three D. Four
10	By increasing the cost of production, the supply	A. Extends B. contracts C. Falls D. Rises
11	One of the following is a fixed capital:	A. Raw material B. Machinery C. Saving certificate D. None of these
12	Slope of average revenue and marginal revenue cures under monopoly is	A. positive B. negative C. zero D. none of three
13	Price is determined under perfect competition	A. By sellers B. By buyers C. By government D. By forces of demand and supply
14	Under perfect competition:	A. AR > MR B. AR < MR C. AR = MR

What functional relationship is present between demand and price B. inverse C. increasing D. none of these A. Local B. Regional C. National D. International A. Marshall B. Robbins B. Robbins C. Adden smith
16 Of what nature state laws are B. Regional C. National D. International A. Marshall B. Robbins
17 Which economist said that, economics cannot be separated from spiritual values? B. Robbins
C. Adam smith D. Voton
A. More B. Limited C. Very low D. Too much
In order to satisfy some wants, more than one commodities are needed. Demand for such commodities is called A. Joint demand B. Composite demand C. Derived demand D. Direct demand
20 Government estimates its income and expenditures A. Monthly B. Three monthly C. Six monthly D. Annual