

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	A firm is in equilibrium when its	A. Marginal revenue is equal to marginal cost B. Marginal revenue is more than marginal cost C. Marginal revenue is less than marginal cost D. Marginal revenue is equal to average cost
2	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
3	Exact prediction not possible in:	A. Economic laws B. Science laws C. Moral laws D. Social law
4	Phases of a trade cycle are	A. Two B. Three C. Four D. Five
5	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
6	Who is called founder of modern school of thought	A. Robbins B. Cannon C. Keynes D. Malthus
7	If $MC=MR=AR=AC=P$, then a firm gains:	A. Super profit B. Normal profit C. Normal loss D. Abnormal loss
8	Study of large units of the economy is known as:	A. Micro economics B. Macro economics C. Applied economics D. All of them
9	If the income of the government is less than its expenditures, such budget is called	A. Surplus budget B. Deficit budget C. Balanced budget D. Capital budget
10	If a person does not pay the amount of the tax from his own pocket on whom it is levied rather shifts its burden on some other person, then it is called	A. Direct tax B. Indirect tax C. Proportional tax D. Progressive tax
11	Which economist did present cardinal theory of utility	A. Marshall B. Karoos C. Cannon D. J.B. Say
12	According to quantity theory of money, if quantity of money is doubled then prices are doubled while value of money is	A. Doubled B. One halved C. Less than one halved D. Not influenced
13	If price increases but supply remains constant, it is called:	A. Fall in supply B. Contraction in supply C. Expansion in supply D. Rise in supply
14	At equilibrium price, demand and supply	A. Increase B. Become equal C. Decrease D. are different

15 One of the following is not included in labour
A. Teaching of a teacher in a school
B. Working of a clerk in an office
C. To follow a case by a lawyer
D. To look after the child by his mother

16 If quantity demanded for a commodity changes due to the change in income, it is called
A. Price elasticity
B. Point elasticity
C. Cross elasticity
D. Income elasticity

17 Note of 500 rupees is
A. token money
B. credit money
C. convertible paper money
D. inconvertible paper money

18 During depression
A. Employment increases
B. Prices decrease
C. Profit increases
D. Prices increase

19 Private individuals are not allowed to fulfil their needs
A. To get loans from the friends
B. To get financial help from the relatives
C. To get loans from the domestic financial institutions
D. To print notes

20 If 50% change in demand in response of 50% change in price then:
A. Elasticity of demand = 1
B. Elasticity of demand < 1
C. Elasticity of demand > 1
D. Elasticity of demand = 0