

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Quantity of a commodity offered for sale in a market at a certain price during a given period of time, is called	A. Stock B. Demand C. Supply D. Quantity demanded
2	Demand for Giffen goods is:	A. Negative B. Vertical C. Positive D. All of them
3	If percentage change in supply is less than the percentage change in price, then elasticity of supply is called	A. Equal to unity B. Less than unity C. More than unity D. Zero
4	Under monopoly the slopes of AR and MR are:	A. Zero B. Positive C. Negative D. None of three
5	One of the following is not fiscal measure to control inflation	A. Decrease in public expenditures B. Increase in taxes C. Encouragement of savings D. Increase in investment
6	Law of diminishing marginal utility provides basis for:	A. Law of demand B. Law of equi marginal utility C. Law of supply D. Both (a) and (b)
7	The quantity of commodity which exists in warehouse (stock) of the seller is called	A. Supply B. Demand C. Stock D. All of these
8	At equilibrium price, demand and supply	A. Increase B. Become equal C. Decrease D. are different
9	The sector of production, in which nature plays more role, there is applicable	A. Law of increasing return B. Law of constant return C. Law of decreasing return D. Law of decreasing cost
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	Dividing total variable costs by the units of output, is attained	A. Average fixed cost B. Average variable cost C. Average cost D. Marginal cost
12	To derive economic laws inductive method was adopted by	A. Classical school of thought B. Neo classical school of thought C. Historical school of thought D. Modern school of thought
13	Demand for necessities of life is	A. Less elastic B. More elastic C. Perfectly elastic D. Perfectly inelastic
14	According to Pigou national income is that part of material wealth	A. Which can be stored easily B. Which can be measured by the scale of money C. Which have volume and surrounds D. Which is exported
15	The goods on which law of demand does not apply, are called	A. Services B. Goods and services C. Giffin goods D. Inferior goods

D. Capital goods

16 Slope of demand curve of exceptions of law of demand is

- A. Negative
- B. Positive
- C. Zero
- D. Fixed

17 According to which economist, it is difficult to find marginal product

- A. Robbins and Keynes
- B. Marshall and pigou
- C. Adam Smith and Mathuls
- D. Taussing and Davenport

18 Under perfect competition average revenue is equal to:

- A. Average cost
- B. Price
- C. Marginal revenue
- D. Both b and c

19 If demand changes by 10% due to 10% change in price, then elasticity of demand is called

- A. Equal to unity
- B. More than unity
- C. Less than unity
- D. Infinite

20 The rate change in total cost is:

- A. TR
- B. MC
- C. MR
- D. TC