

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	In mathematics, symbol for utility is used	A. U B. M C. X D. Y
2	National income increases by	A. The increase in the quantity of capital goods B. The increase in the quantity of goods and services C. The increase in price of goods D. The increase in the income of entrepreneurs
3	First law of consumption is known as:	A. Law of supply B. Law of demand C. Law of diminishing marginal utility D. Law of equi marginal utility
4	When average product is maximum, marginal product is:	A. Positive B. Equal to AP C. Zero D. Negative
5	If the most part of total supply of commodity is produced by one firm, it is called	A. Oligopoly B. Monopoly C. Perfect competition D. Monopolistic competition
6	To describe as it is, after seeing and analyzing any event, is known as	A. Normative science B. Positive science C. Biological science D. For casting science
7	"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
8	Phases of trade cycle are:	A. Three B. Four C. Five D. Six
9	Which money is not legally backed	A. Metallic money B. Paper money C. Credit money D. Near money
10	Kinds of supply according to period of time are	A. Two B. Three C. Four D. Five
11	During the phase of recovery prices, wages, interest rate and profits	A. Start falling gradually B. Start rising gradually C. are highest D. are lowest
12	Word of economics has been derived from "Oikonomos" which is word of the language	A. French B. Latin C. Russian D. None of them
13	If demand decreases by 15% due to 10% increase in Price, then elasticity of demand is	A. Equal to unity B. More than unity C. Less than unity D. Zero
14	The price of non-economic want is always:	A. Very high B. Very Low C. Negative D. Zero

15	The factor of production which is result of human struggle.	B. Labour C. Capital D. Organization
16	The base of international trade theory of Adam Smith is	A. Absolute advantage B. Comparative cost C. Cheaper cost D. Low cost
17	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
18	Organization means an individual or institution which with optimum factor combination	A. Lays foundation of business always earning profit B. Lays foundation of business but does not accept the responsibility of profit and loss C. Lays foundation of business but accepts the responsibility of profit and loss D. Serves as a manager in the business and receives remuneration
19	The supply curve of Fish is	A. More elastic B. Less elastic C. Inelastic D. Infinite elastic
20	Public finance and private finance are of each other	A. Opposite B. Synonymous C. Similar & different D. None of three