

Principles of Economics Icom Part 1 English Medium Online Test

| Sr | Questions | Answers Choice |
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| 1 | If demand does not change, then due to rise of supply | A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium price does not change D. Equilibrium quantity decreases |
| 2 | The ratio of change in investment to change in income is known as: | A. Multiplier B. Accelerator C. MEC D. Both a and b |
| 3 | In comparative cost or comparative advantage theory, ratio is | A. 1x1 one good one country B. 2x2 two goods two countries C. 1x2 one good two countries D. 2x1 two goods one country |
| 4 | According to law of demand, when price of a commodity decreases, then demand curve | A. Moves from left to right upward B. Moves from left to right downward C. Moves vertically D. Moves horizontally |
| 5 | According to whom economist, National income is the name of the total of production of goods and services | A. Adam smith B. Marshall C. Fisher D. Pigou |
| 6 | The power of a good or service to satisfy a human want is called: | A. Value B. Price C. Utility D. All of them |
| 7 | During the phase of boom level of income and employment is | A. Increasing B. Decreasing C. Highest D. Lowest |
| 8 | What is the reward of Organization ? | A. Rent B. Wage C. Interest D. Profit |
| 9 | Individuals of a country produce a certain quantity of goods and services using the resources of the country with the help of their capital, it is called national income this definition is presented by | A. Professor Marshall B. Professor Paul A Samuelson C. Professor Fisher D. Professor Pigou |
| 10 | According to law of supply which factor changes the supply | A. cost of producton B. price C. climatic conditions D. level of income |
| 11 | When marginal product remains positive, total product | A. Goes on decreasing B. Goes in increasing C. Becomes negative D. Does not change |
| 12 | Who did name economics as science of satisfying unlimited wants with limited means | A. Marshal B. Adam Smith C. Robbins D. Pigou |
| 13 | Shut down point appears, when | A. $AVC=AR$ B. $AVC>AR$ C. $AVC<AR$ D. $AC=AR$ |
| 14 | In order to improve the balance of payment the foremost try is to increase | A. Imports B. Exports C. Production D. Savings |
| 15 | The costs which the firm has to bear in every condition in the short period, are called | A. Total costs B. Fixed costs C. Variable costs D. Marginal costs |

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| 16 | 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 |
| 17 | Demand for luxuries in | A. Less elastic B. More elastic C. Perfectly elastic D. Perfectly inelastic |
| 18 | One of the following is considered as capital: | A. Land B. Labour C. Raw material D. Both (a) and (b) |
| 19 | Marginal revenue product is the amount of money attained by selling: | A. Average product B. Marginal product C. Total product D. Total cost |
| 20 | When total revenue and total cost of a firm are equal, the firm earns | A. Abnormal profit B. Normal profit C. Normal loss D. Abnormal loss |