

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	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
2	If supply curve is horizontal (parallel to x-axis) then elasticity of supply is	A. Zero B. Infinite C. Equal to unity D. More than unity
3	Public finance and private finance are of each other	A. Opposite B. Synonymous C. Similar & Camp; different D. None of three
4	When supply decreases due to fall in price, it is called:	A. Fall in supply B. Contraction in supply C. Expansion in supply D. Rise in supply
5	The second name of law of decreasing return is	A. Law of increasing cost B. Law of constant cost C. Law of decreasing cost D. Law of cost
6	Who did name Economics as the science of mammon worship and dismal science	A. Marshall B. Keynes C. John Ruskin & Carlyle D. Pigou
7	The interaction of multiplier and accelerator is known as:	A. Innovation theory B. Modern theory C. Psychological theory D. Over investment theory
8	If the demand for commodity being produced increases, then a firm in the short run its variable factors	A. Increases B. Decreases C. Keeps the same D. None of three
9	If in a production sector, along with the fixed factor of production, by increasing units of variable factors, marginal product remains constant, this tendency in economics is called	A. Law of increasing return B. Law of constant return C. Law of decreasing return D. Law of production
10	If supply does not change, then due to rise in demand, equilibrium price.	A. Increases B. Decreases C. Does not change D. Becomes zero
11	Which economist said that the term demand for money should be used instead of circulation of money	A. Prof Keynes B. Prof Marshall C. Prof Crowther D. Prof Fisher
12	Economic law are made by:	A. Govt. B. Courts C. Parliament D. Behaviour of the people
13	In monopoly, when total revenue of a firm is maximum, then its marginal revenue is	A. Maximum B. Minimum C. Zero D. Negative
14	Under certain conditions, slope of demand curve is	A. Negative B. Positive C. Zero D. Fixed
15	Third factor of production is called	A. land B. labour C. capital

		D. organization
16	Stock means the quantity:	A. Sold in market B. Which is offered for sale C. Which exist in warehouse D. Of total production
17	Which thing of the following should be subtracted from gross national product to get net national product	A. Direct taxes B. Indirect taxes C. Depreciation allowance D. Income received from foreign country
18	When marginal product remains positive, total product	A. Goes on decreasing B. Goes in increasing C. Becomes negative D. Does not change
19	Private individuals can get loan from	A. Their relatives, friends and domestic financial institutions B. Foreign financial agencies C. Foreign government D. International financial institutions
20	Which of the following stated that utility is measurable	A. Marshall B. Adam Smith C. Robbins D. Keynes