

## Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Desire + Purchasing power is equal to:	A. Demand B. Supply C. Income D. Utility
2	Amount of money attained by selling marginal product is called	A. Average revenue product B. Marginal revenue product C. Total revenue product D. None of three
3	Transfer payments are included in	A. Gross domestic income B. National income C. Disposable personal income D. Personal income
4	In law of constant return, marginal product	A. Increases B. Decreases C. Remains constant D. Remains changing
5	_____ is not considered perfect money	A. Note of ten rupees B. Note of hundred rupees C. Piece of silver D. Note of one thousand rupees
6	If demand curve is parallel to y-axis, then elasticity of demand is	A. Equal to unity B. More than unity C. Less than unity D. Zero
7	If demand did not influence by the change in price, that is called:	A. Elasticity of demand = 1 B. Elasticity of demand < 1 C. Elasticity of demand > 1 D. Elasticity of demand = 0
8	Perfectly inelastic supply curve is:	A. Vertical B. Rise upward C. Horizontal D. Fall downward
9	In which year international monetary fund was established	A. 1941 B. 1944 C. 1945 D. 1947
10	If the demand for a commodity is less elastic, then an entrepreneur in order to increase his profit	A. Will increase its price B. Will decrease its price C. Will not change its price D. None of these
11	Which is the Demand Curve of a firm	A. Average Revenue Curve B. Marginal Revenue Curve C. Total Revenue Curve D. Average cost curve
12	In which phase of a trade cycle production, employment, wages and rate of interest etc start rising gradually	A. Boom B. Depression C. Recovery D. Recession
13	A slight change in demand and price is called:	A. Point Elasticity of demand B. ArcElasticity of demand C. CrossElasticity of demand D. PriceElasticity of demand
14	How many are kinds of economics	A. Two B. Three C. Four D. Five
15	When price decreases, supply:	A. Contracts B. Expands C. Remains fixed D. Becomes zero

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16 "Money is a thing by which payments of agreements of borrowing and pricing are made and general purchasing power is stored in it." This definition of money is stated by the economist

A. Prof Marshall  
B. Prof Walker  
**C. Prof Keynes**  
D. Prof Crowther

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17 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

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18 Formula method to measure elasticity of supply is related to

A. Marshall  
B. Robbins  
**C. R.G.D Allen**  
D. Flux

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19 During boom, a government prepares budget which is

A. Balanced  
**B. Surplus**  
C. Deficit  
D. Unbalanced

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20 Law of decreasing return is immediately applied on

A. Agriculture  
B. Trade  
C. Industry  
D. Construction

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