

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

Sr	Questions	Answers Choice
1	Which statement is called subject matter of economics	A. Problems of working individuals and their solution B. Planning of increase in production C. Unlimited wants and limited means D. Solution of problems of the individuals living away from the society
2	Income received without any economic services:	A. National Income B. Transfer payments C. Interest D. Profit
3	Fixed costs are those costs of production which	A. Rise with quantity of output B. Do not change with any amount of production C. Decline with rising production D. None of these
4	If due to a very slight decrease in price, demand goes on increasing, elasticity of demand will be	A. More than unity B. Less than unity C. Infinite D. Zero
5	If the percentage change in supply is more 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. Infinite
6	Finance minister in order to increase the public revenue, imposes tax on the commodities whose demand is less elastic	A. At low rate B. At high rate C. Some times decreases the tax rate and some times increases the tax rate D. Does not change tax rate
7	Utility of a commodity is zero, when	A. Want is satisfied upto a certain extent B. Want is fully satisfied C. Utility is positive D. Want is not satisfied
8	Demand for the goods which have different uses, is	A. More elastic B. Less elastic C. Infinity D. Zero elastic
9	Which is not studied in micro economics?	A. Theory of consumer behaviour B. Price theory C. Theory of money D. Theory of distribution of wealth
10	Inductive method represents:	A. General to particular B. Particular to general C. Normative science D. Economic planning
11	Economy gets prosperity during	A. Recession B. Depression C. Boom D. Recovery
12	Net foreign income means:	A. Import - Exports B. Exports - Imports C. Import + Exports D. Income from imports
13	Supply of goods depends on	A. price B. income C. income and price D. utility
14	Psychological theory of trade cycles is presented by	A. Prof Jevons B. Prof Pigou and Bagehot C. Prof Keynes

		D. Prof Hawtrey
15	One of the following is not the assumption of quantity theory of money	A. Velocity of circulation of legal money should not change     B. Velocity of Circulation of credit money should not change     C. Quantity of hoardings should not change     D. Quantity of goods and services should go on changing
16	Under monopoly the price is always equal to:	A. AR B. MR C. MC D. AVC
17	Comparative cost theory was presented by	A. Marshall B. Ricardo C. Hecksher D. Ohlin
18	If supply of a commodity changes by more than 10% due to 10% change in its price, then elasticity of supply will be	A. Equal to unity B. More than unity C. Less than unity D. Infinite
19	How many conditions of firm's equilibrium are there ?	A. One B. Two C. Three D. Four
20	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