

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

Sr	Questions	Answers Choice
1	In law of constant return, marginal product	A. Increases     B. Decreases     C. Remains constant     D. Remains changing
2	If elasticity of supply is equal to unity then extending supply curve downward, it passes through or crosses	A. y-axis B. x-axis C. Point of origin D. Becomes vertical
3	Transfer payment means:	A. Rent transfer B. Wages transfer C. Reward without services D. Profit transfer
4	Method of measuring national income	A. National income=Gross national product - depreciation allowance B. National income= Net national product - Indirect costs C. National income= Net national product + subsidies D. National income= Net national product - indirect taxes + subsidies
5	When average cost falls marginal cost is average cost	A. More than B. Less than C. Equal to D. A and C
6	Demand for the commodities having different uses	A. Less elastic     B. More elastic     C. Perfectly inelastic     D. Infinitely elastic
7	"General theory of employment, interest and money" was written by:	A. Robbins B. Pigou C. Keynes D. Canon
8	Who said that economics is positive science?	A. Adam smith B. Marshall C. Robbins D. Keynes
9	If the face value of a coin is equal to the value of metal used in:	A. Legal money B. Token money C. Standard money D. Both b and c
10	Methods for measurement of national income are:	A. Two B. Three C. Four D. Five
11	Equilibrium price is determined in.	A. Perfect market B. Imperfect market C. Monopoly D. None of these
12	Flux method is also known as:	A. Percentage method B. Unitary method C. Total expenditure method D. All of them
13	When marginal utility is positive, total utility:	A. Decreases B. Increases C. Zero D. All of them
14	If a firm does not produce anything then its variable cost is:	A. Minimum B. Negative C. Maximum D. Zero

15	Inductive method represents:	A. General to particular     B. Particular to general     C. Normative science     D. Economic planning
16	Marginal revenue product curve is called	<ul><li>A. Demand curve of the firm</li><li>B. Supply curve of the firm</li><li>C. Demand curve of the industry</li><li>D. Supply curve of industry</li></ul>
17	The money whose face value and intrinsic value are equal, is called	A. Token money B. Standard money C. Paper money D. Credit money
18	The relation between quantity of money and price is:	A. Positive B. Negative C. Direct D. Inverse
19	Shape of market supply curve is	<ul><li>A. Horizontal or parallel to ox curve</li><li>B. Vertical or parallel to oy curve</li><li>C. Positively sloping</li><li>D. Negatively sloping</li></ul>
20	Supply of goods depends on	A. price B. income C. income and price D. utility