

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	In which phase of a trade cycle national product, wages, prices and profits reach at their peak	A. Recovery B. Boom C. Recession D. Depression
2	Who did write the book named "An enquiry into the nature and causes of the wealth of nations"	A. Adam smith B. Marshall C. Robbins D. Canon
3	If supply decreases due to decrease in price, it is called	A. Extension of supply B. Contraction of supply C. Rise of supply D. Fall of supply
4	Which is not included in variable cost	A. price of raw material B. Advertisement expenditures C. rent of building D. wages of labour
5	If two goods are complimentary, cross Elasticity of demand will be:	A. Zero B. Infinite C. Positive D. Negative
6	Quickly destroyable goods are called	A. Superior goods B. Inferior goods C. Perishable goods D. Giffen goods
7	Feature of a commodity to satisfy human want, is called	A. Value B. Usefulness C. Utility D. Wealth
8	Monopoly is opposite to	A. Perfect competition B. Imperfect competition C. Perfect competition and imperfect competition both D. Oligopoly
9	Which one of the following represents fixed cost	A. Price of raw material B. Wages C. Capital goods D. Wages of permanent labour
10	Organization means an individual or institution which with optimum factor combination	A. Lays foundation of business always earning profit B. Lays foundation of business but does not accept the responsibility of profit and loss C. Lays foundation of business but accepts the responsibility of profit and loss D. Serves as a manger in the business and receives remuneration
11	----- are added in national income	A. Depreciation allowance B. Subsidies C. Indirect taxes D. Direct taxes
12	Factor of production which is used to earn more income, is called	A. Land B. Labour C. Capital D. Organization
13	Which one is not included in macro economics	A. National income B. Employment C. Price D. Investment
14	When after the observation and analysis of the conditions, they are stated as they are, is called	A. Normative science B. Positive science C. Vegetation science

15	The systematic record of the money value of visible exports and visible imports of one year of country is called	A. Balance of trade B. Balance of payment C. International balance D. External balance
16	Under monopoly average revenue curve remains the marginal revenue curve	A. Below B. Above C. Parallel D. None of these
17	Absolute advantage theory was presented by	A. Adam Smith B. Prof Walker C. Ricardo D. Marshall
18	Quantity theory of money was introduced by:	A. Fisher B. Marshall C. Crowther D. J.S Mill
19	One of the following is not the characteristic of money	A. General acceptability B. Durability C. Non homogeneity D. Convertibility
20	Which economist explained the absolute difference of cost of two good between two countries	A. Malthus B. Adam Smith C. Ricardo D. J.S Mill