

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Balance of payment of a country is favourable when its	A. Receipts are more than payments B. Receipts are less than payments C. Receipts are equal to payments D. None of three
2	If 30% change in supply in response to 50% change in price then:	A. Es = 0 B. Es = 1 C. Es > 1 D. Es < 1
3	The tax whose burden can be shifted to the customers, is called	A. Proportional tax B. Progressive tax C. Direct tax D. Indirect tax
4	Tractor, harvester, thrasher etc are the examples of factor of production	A. Land B. Labour C. Capital D. Organization
5	Due to rise in demand, demand curve shifts to	A. Right B. Left C. Both sides D. None of these
6	Under monopoly, in the long run a firm	A. Earns normal profit B. Earns abnormal profit C. Bears minimum loss D. Bears abnormal loss
7	According to which economist, utility is measureable	A. Marshall B. Adam smith C. Robbins D. Keynes
8	Want of a commodity is satisfied, when its marginal utility is	A. Positive B. Zero C. Negative D. Minimum
9	"General theory of employment, interest and money" was written in:	A. 1930 B. 1936 C. 1932 D. 1890
10	Which book is named "Bible of Capitalism"	A. Wealth of nations B. Das capital C. Principles of economics D. General theory of employment, interest and money
11	When price decreases, supply:	A. Contracts B. Expands C. Remains fixed D. Becomes zero
12	What is the reward of Organization ?	A. Rent B. Wage C. Interest D. Profit
13	When average product decreases, marginal product	A. Increases B. Is zero C. Is equal to average product D. Is less than average product
14	Utility of the last unit of a commodity consumed is called	A. Positive utility B. Negative utility C. Total utility D. Marginal utility
15	Slope of demand curve is	A. Negative B. Positive C. zero D. None

D. fixed

16	Value of money means purchasing power of money. If quantity of money is doubled then	<p>A. Purchasing power of money will be one halved</p> <p>B. Purchasing power of money will be doubled</p> <p>C. Purchasing power of money will be tripled</p> <p>D. There will be no effect on the purchasing power of money</p>
17	The shape of average cost curve in the short period is	<p>A. Vertical</p> <p>B. Horizontal</p> <p>C. Positively sloping</p> <p>D. Like English alphabet U</p>
18	Unit of account money in Pakistan is	<p>A. Rial</p> <p>B. Rupee</p> <p>C. Dollar</p> <p>D. Pound</p>
19	Feature of a commodity to satisfy human want, is called	<p>A. Value</p> <p>B. Usefulness</p> <p>C. Utility</p> <p>D. Wealth</p>
20	A firm is in equilibrium, where:	<p>A. $AR = MR$</p> <p>B. $AC = MC$</p> <p>C. $AC = MR$</p> <p>D. $MC = MR$</p>