

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

| Sr | Questions   | Answers Choice  |
|----|---|---|
| 1  | Supply curve shifts due to better technique of production   | A. Rightward B. Leftward C. Does not change D. Vertical   |
| 2  | Founder of new classical school of thought was  | A. Adam smith B. Marshall C. Robbins D. Keynes  |
| 3  | Measurement of arc elasticity of demand was present:  | A. Keynes B. Marshall C. Adam smith D. R.G.D Allen  |
| 4  | Balance of payment of a country in unfavourable when its  | A. Receipts are more than payments B. Receipts are less than payments C. Receipts are equal to payments D. None of three          |
| 5  | 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   |
| 6  | Transfer payment means:   | A. Rent transfer B. Wages transfer C. Reward without services D. Profit transfer  |
| 7  | The factor of production which is used to produce more wealth or increase income is called                        | A. Land B. Labour C. Capital D. Organization  |
| 8  | 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 |
| 9  | In the long run monopolist earns profit:  | A. Normal B. Abnormal C. Super normal D. Both b and c   |
| 10 | Movement on the same demand curve is called:  | A. Increase is demand B. Rise and fall in demand C. Decrease in demand D. Expansions and contraction in demand                    |
| 11 | According to which economist some trade cycles complete their cycle during a period of fifty years or sixty years | A. Prof Kitchen B. Prof Jugglar C. Prof Pigou D. Prof Kondratieff   |
| 12 | Which economist said that the term demand for money should be used instead of circulation of money                | A. Prof Keynes B. Prof Marshall C. Prof Crowther D. Prof Fisher   |
| 13 | Third factor of production is called  | A. land B. labour C. capital D. organization  |
| 14 | Depreciation means:   | A. Wear and Tear B. Reduction in value C. Decrease in value D. All of these   |
| 15 | In which punishment is not applicable for the disobedience, the laws are  | A. Moral laws B. Laws of state C. Political laws  |

|    |  | D. Economic laws  |
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| 16 | If demand decreases by 5% due to 10% increase in Price, then elasticity of demand is               | A. Equal to unity B. More than unity C. Less than unity D. Zero   |
| 17 | Which law is applied when marginal utilities of all the purchased goods become equal to each other | A. Law of diminishing marginal utility     B. Law of equi marginal utility     C. Law of demand     D. Law of increasing return                 |
| 18 | The whom individuals Marshal included in definition of economics                                   | <ul><li>A. Service of teachers</li><li>B. People living in forests</li><li>C. Trading professionals</li><li>D. People living in caves</li></ul> |
| 19 | Writing of the same behavior of the people in particular arrangement and words is called           | A. Normative science     B. Positive science     C. Economic law     D. Scientific law  |
| 20 | Law of diminishing return is more applicable in:   | A. Trade sector     B. Industrial sector     C. Agricultural sector     D. Education sector   |