

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	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
2	Disposable personal income is equal to	A. Personal income + direct taxes B. Personal income + indirect taxes C. Personal income + direct and indirect taxes D. Personal income - direct taxes
3	During boom, a government prepares budget which is	A. Balanced B. Surplus C. Deficit D. Unbalanced
4	No factor can take the place of any other factor, it is explained by	A. Law of decreasing return B. Law of constant return C. Law of increasing return D. Law of return
5	Tendency of demand curve of a factor of production is	A. Positive B. Negative C. Zero D. Horizontal
6	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
7	If demand changes by less than 10% due to 10% change in price, then elasticity of demand is called	A. Equal to unity B. More than unity C. Less than unity D. Infinite
8	The kind of market, in which a single firm produces a single commodity which has no close substitute	A. Monopoly B. Duopoly C. Oligopoly D. Perfect competition
9	In case of horizontal supply curve, Es is:	A. More than unity B. Less than unity C. Zero D. Infinite
10	Elasticity of demand for the commodities which have substitutes, is	A. More elastic B. Less elastic C. Infinite D. Zero
11	Micro economics studies related to	A. National income B. Unemployment C. Trade cycle D. Consumer's behavior
12	The income which a person can use according to his will called:	A. Net income B. Per capital income C. Personal income D. Disposable personal income
13	"The nature and significance of economic sciences" was written by:	A. Adam smith B. Marshall C. Robbins D. Canon
14	One of the following is not included in implicit cost	A. Interest of entrepreneur's own capital B. Rent of building C. Reward of entrepreneur's own labour D. Reward of entrepreneur's own

land

15	Fixed cost consists of:	A. Rent B. Salaries C. Interest D. All of them
16	Who said that economics is science of unlimited wants and limited means	A. Adam Smith B. Marshall C. Pigou D. Robbins
17	If currency can converted into gold, it is called:	A. Convertible paper money B. Inconvertible paper money C. Bank Money D. Both a and b
18	Government needs public finance	A. For the defence of frontiers B. To maintain law and order in the country C. For the payment of salaries of government employees D. For the welfare of the people
19	During the phase of recovery prices, wages, interest rate and profits	A. Start falling gradually B. Start rising gradually C. are highest D. are lowest
20	Other name of law of equi marginal utility is	A. Law of diminishing marginal utility B. Law of demand C. Law of constant return D. Law of indifference