

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	The science in which conditions and incidents are checked from a particular point of view, is called	A. Positive science B. Normative science C. Social science D. All of three
2	Recent international depression was appeared in:	A. 1936 B. 1990 C. 2005 D. 2008
3	Relationship between price and quantity demanded is called	A. Demand schedule B. Demand curve C. Law of demand D. Assumptions of law of demand
4	Other things remaining the same, marginal utility of a commodity diminishes with its continuous consumption. This law is called	A. Law of diminishing marginal utility B. Law of equi marginal utility C. Law of demand D. Law of decreasing return
5	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
6	Number of beneficiaries of Zakat is stated in the holy Quran	A. Five B. Seven C. Eight D. Nine
7	Quantity of a commodity offered for sale in a market at a certain price during a given period of time, is called	A. Stock B. Demand C. Supply D. Quantity demanded
8	Next best alternative use of resources is known as:	A. Implicit cost B. Explicit cost C. Opportunity cost D. Sunk cost
9	Demand for factors of production is	A. Direct B. Derived C. Positive D. Negative
10	Average cost curve is in short run	A. Negative sloped B. U-shaped C. L-shaped D. Positive sloped
11	When average product decreases, marginal product	A. Increases B. Is zero C. Is equal to average product D. Is less than average product
12	Law of equi-marginal utility is also known as:	A. Total utility maximizing law B. Law of substitution C. Law of indifference D. All of them
13	A firm earns normal profit	A. When price of the commodity is equal to average cost B. When price of the commodity is more than average cost C. When price of the commodity is less than average cost D. When total revenue is more than total costs
14	Because of devaluation of currency of a country, its exports	A. Decrease B. Increase C. Remains constant D. Go on changing

15	Laws cannot be predicted	A. Scientific laws B. Moral laws C. Economic laws D. Natural laws
16	If income of government is more than its expenditures, then it is a	A. Surplus budget B. Deficit budget C. Development budget D. Balanced budget
17	How many are kinds of theoretical economics	A. Two B. Three C. Four D. Five
18	In case of perfectly elastic supply or infinite elasticity of supply, supply curve is	A. Horizontal (parallel to x-axis) B. Vertical (parallel to y-axis) C. Positive sloped D. Negative sloped
19	Elasticity of supply if perishable goods is	A. Equal to unity B. More than unity C. Less than unity D. Zero
20	According to law of diminishing marginal utility, Utility of every new (Additional) unit of commodity	A. Increases B. Decreases C. Remains constant D. None of these