Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	One of the following is not the cause of deflation	A. Decrease in demand for goods B. Decrease in consumption C. Increase in quantity of money D. Increase in supply of goods
2	Difference between total revenue and total cost presents:	A. Price B. Profit C. Production D. Loss
3	A firm gains abnormal profit, when:	A. TR = TC B. TR > TC C. TR < TC D. MC = MR
4	In how many parts professor Adam smith divided his book "Wealth of nations"	A. Two B. Three C. Four D. Five
5	Wealth tax, income tax, property tax etc are	A. Direct taxes B. Indirect taxes C. Proportional taxes D. Progressive taxes
6	Price is determined under perfect competition	A. By sellers B. By buyers C. By government D. By forces of demand and supply
7	Want of a commodity is satisfied, when its marginal utility is	A. Positive B. Zero C. Negative D. Minimum
8	Quantity theory of money was introduced in an equation by:	A. Fisher B. Marshall C. Crowther D. Tausigg
9	One of the following is not the assumption of quantity theory of money	A. Velocity of circulation of legal money should not change B. Velocity of Circulation of credit money should not change C. Quantity of hoardings should not change D. Quantity of goods and services should go on changing
10	According to the law of supply, there is relation in price and supply	A. Inverse B. Increasing C. Negative D. indirect
11	Monetary theory of Trade cycle is presented by	A. Prof Hawtrey and Friedman B. Prof Keynes C. Prof Hobson D. Prof Kitchen
12	One of the following is not assumption of law of diminishing marginal utility	A. Same nature of the commodity B. Consumption of the commodity with intervals C. Suitable quantity of the commodity D. No change in consumers mental condition
13	When total utility is increasing marginal utility is	A. Zero B. Positive C. Negative D. Maximum
14	The trade transaction between the individuals of different areas of a country is called	A. Local trade B. Regional trade C. Domestic trade

		D. International trade
15	Elasticity of demand for luxuries is	A. Equal to unity B. More than unity C. Less than unity D. Zero
16	Which laws are conditional	A. State B. Economic C. Scientific D. Moral
17	The sector of production, in which nature plays more role, there is applicable	A. Law of increasing return B. Law of constant return C. Law of decreasing return D. Law of decreasing cost
18	When average cost is minimum, marginal cost is - - - - - - - - average cost	A. Less than B. More than C. Equal to D. None of three
19	The exchange of goods and services from country to country is called	A. Foreign B. National trade C. Corporate trade D. Domestic trade
20	Cheque is which kind of money:	A. Credit money B. Paper money C. Standard money D. Legal money