

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	In macro economics, what kind of problems can be discussed	A. International trade B. Consumers behavior C. Problems of a firm D. Determination of price
2	Elasticity of demand for substitute and jointly demanded goods is called	A. Income elasticity B. Arc elasticity C. Cross elasticity D. Point elasticity
3	Who said that economics is the science of material welfare ?	A. Adam smith B. Marshall C. Ricardo D. Robbins
4	When average product decreases, marginal product	A. Increases B. Is zero C. Is equal to average product D. Is less than average product
5	The production sector where human brain and intelligence plays more role there is applicable	A. Law of increasing return B. Law of constant return C. Law of decreasing return D. Law of increasing cost
6	Balance of payment of a country is balanced when its	A. Receipts are more than payments B. Receipts are less than payments C. Receipts are equal to payments D. None of three
7	Utility attained by all the units of a commodity consumed	A. Positive utility B. Negative utility C. Total utility D. Marginal utility
8	Consumer goods are those goods which the consumers consume	A. Directly B. Indirectly C. Sometimes D. Never
9	Foreign exchange is used in	A. Local trade B. Regional trade C. Domestic trade D. International trade
10	When marginal utility is negative, total utility:	A. Decreases B. Increases C. Does not change D. Negative
11	If total expenditure of the consumer decreases due to increase in price, then nature of elasticity of demand will be	A. Equal to unity B. Less than unity C. More than unity D. Elasticity of demand = zero
12	Who did write the book named "Nature and importance of economics"	A. Adam smith B. Marshall C. Robbins D. Keynes
13	When Ac is rising:	A. $AC = MC$ B. $MC > AC$ C. $MC < AC$ D. Both (b) and (c)
14	When supply decreases due to fall in price, it is called:	A. Fall in supply B. Contraction in supply C. Expansion in supply D. Rise in supply
15	National income is measured for:	A. One year B. Two years C. Three years D. Four years

16	The tax which is levied on the sale of goods is called	A. Income tax B. Property tax C. Gift tax D. Sales tax
17	In the long run monopolist earns profit:	A. Normal B. Abnormal C. Super normal D. Both b and c
18	Price of perishable goods is determined in:	A. Very short period B. Very long period C. Day to Day D. Both (a) and (c)
19	Founder of modern school of thought:	A. Adam smith B. Marshall C. Ricardo D. Robbins
20	River, sea, forests, rain are called	A. Land B. Labour C. Capital D. Organization